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Series: Card, Andrew, Files
Subseries:

OA/ID Number: 04883
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Correspondence--F [1]

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Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Letter	Terri Dominguez to Andrew H. Card, Jr., Re: National Conference of Bar Examiners applicant fitness report for David V. Foster. (1 pp.)	07/24/91	(b)(6)	
02. Letter	Terri Dominguez to Andrew H. Card, Jr., Re: National Conference of Bar Examiners applicant fitness report for David V. Foster. (1 pp.)	07/24/91	(b)(6)	

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THE WHITE HOUSE
WASHINGTON

FAX: to Robert Franklin

#(617) 720-1896

THE WHITE HOUSE
WASHINGTON

12-27-91

Bob-

Here is a transcript.

I'm working on a video.

Andy

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

December 26, 1991

PRESS CONFERENCE BY THE PRESIDENT

The Briefing Room

2:07 P.M. EST

THE PRESIDENT: Good afternoon, the day after Christmas. Let me just say I am very pleased to announce my intention to nominate Barbara Hackman Franklin as the next Secretary of Commerce. I've known Barbara for many years, and I am confident that her outstanding record of achievement in both the public and private sector will serve her well as she tackles this tough and important assignment.

Barbara has dealt with a broad range of domestic and international issues. She's a recognized leader in her field. She served on the board of directors of seven major industrial companies, manufacturing and service, providing advice and guidance on how to successfully innovate, manage efficiently, and stimulate economic growth. In fact, in 1990, the American Management Association named her one of our nation's 50 most influential corporate directors.

Currently in her fourth term as a member of the President's Advisory Committee on Trade Negotiations, she understands firsthand the challenge America faces in the international trade arena. She knows that, currently, exports are our strong suit, and that we must continue to press hard to open more markets to quality American goods and services.

And that's why she's been a determined advocate of free and fair trade, keenly aware that when the playing field is level, American workers can compete with anyone anywhere.

Her first priority is the same as mine: jobs and economic growth. And she's shown a deep commitment to public service, from serving on the Consumer Product Safety Commission, to working as an alternate public delegate to the United Nations.

In addition to her corporate and international trade experience, Barbara is an entrepreneur, founder and owner of her own management consulting firm. As one of the first women to earn an MBA from Harvard University, she's also been a leader and role model for many women in business. As we address the tough economic issues before us, I look forward to Barbara Franklin's sound, experienced counsel. And she will undoubtedly be a valued member of our economic team.

Let me just add that I am grateful for Bob Mosbacher's service at the Department of Commerce -- I mentioned it here the other day, but as I name Barbara Franklin to this new position, I again want to say -- express to Bob Mosbacher my sincere appreciation for a job so well-done. And I have every confidence that Barbara will continue that fine tradition of exemplary public service.

And now, Madam Secretary-Designate, if you would like to say a word or two, and then we'll be -- either both of us be glad to take some questions.

MORE

SECRETARY-DESIGNATE FRANKLIN: Thank you very much, Mr. President. I am deeply honored, almost beyond putting that into words, but I am absolutely thrilled to be a new part of your team. And I'm particularly honored that you have chosen me to follow my friend, Secretary Bob Mosbacher, who really has done a wonderful job. And I admire very much what you and he have done to forge a partnership between government and business and to promote exports. And I look forward to working with everyone on your team in the administration to continuing that momentum.

As Secretary of Commerce, when confirmed by the Senate, of course, I look forward to and will be very proud to be an advocate for American business -- small business, big business, medium-sized business, start-up business, manufacturing service -- whatever kind of business we have in this country, because it is the economic backbone of America, and really the envy of the world.

I believe today that American business is more competitive, more innovative and more responsible than a lot of people realize. And we have a great story, and I'm thrilled to have this opportunity to begin to tell it.

I appreciate your confidence in me, Mr. President.
Thank you.

THE PRESIDENT: Well, both of us, either of us, will take questions. Tom, I believe, has the first one.

Q Thank you, Mr. President. Despite the assurances that you've gotten from Boris Yeltsin that he'll do what he can to not ever use the nuclear button, how satisfied are you that he can control the vast arsenal that's now spread out over four independent republics, particularly given the continued economic instability there?

THE PRESIDENT: Well, we have had proper assurances from all the republics, the ones that I have said last night we were going to recognize -- those that have nuclear weapons -- and our experts that have been in touch at the expert level see no reason to be concerned about this. I had proper assurances, obviously, from Boris Yeltsin on this on several occasions.

Similarly, I -- in my conversation with Mikhail Gorbachev, he raised the subject and expressed his satisfaction at the way this process or this -- well, this process is going. And so I have no reason to be anything but satisfied at this point.

Q Mr. President, a follow-up, if I may. In the past it's been hard enough to negotiate arms control agreements with the one central power. What does this say, now that there will be as many as 12 different voices speaking, what does this say for enacting new arms control agreements and enforcing the old ones?

THE PRESIDENT: I think it's going to be very easy -- much easier. And the reason I say that -- let me say much easier -- because we don't have the concept on their part of viewing the United States as an enemy, as happened over all the years of the Cold War.

From the representations that have been made by the various presidents of the republics, I think it will be far easier now to hammer out whatever additional arms control agreements are in the world's interest, and certainly in the interest of the United States, than it was before. So I think this whole change towards commonwealth will facilitate further progress in arms reductions.

Q Mr. President, speaking of trust, why do you trust your economic advisors when they've been so wrong? And I have a --

THE PRESIDENT: That's a very good question, Helen.
(Laughter.) I was kind of hoping you would bring that up.
(Laughter.)

Q I have another part -- another related question.

THE PRESIDENT: Well, look, you go back and look at not just my economic advisors, but the blue chip prognosticators, and I think many, including this noneconomist you're talking to, have been wrong. And so I'm not recriminatory about it, but I think that everybody would recognize, given the way the economy failed to recover, as was widely predicted three months ago, that this science of economics is inexact at best. But I have no recrimination on it, but I simply think that it is very hard to -- what I've learned from this is that economists can be wrong. It's very hard to predict accurately events on a complicated thing like this economy.

Q Mr. President, you're taking with you a delegation, many of whom pulled out multimillion-dollar salaries while their companies have fired hundreds, perhaps thousands of workers. What is your feeling about that? Do you think that they should make that kind of money when they're firing everybody?

THE PRESIDENT: I don't think the federal government has a role in all of this, but I do think that it's good that these business people are going along, regardless of what their salaries are. They represent large companies in various fields, including the automotive business, and there are a lot of workers who would like to see what I'd like to see -- more access to Japanese markets. So, on the whole, I'm very, very pleased that that's taking place.

Q You have no feeling about these salaries that go through the roof?

THE PRESIDENT: I think when times are tough there's more focus on that, and everybody ought to be dealing from their conscience, and these boards of directors should be looking very carefully at these matters. But I stop short of saying this is where the government ought to get in. I've seen pieces of legislation that somehow hook things into government mandating what compensation should be, and I'm strongly opposed to that.

Q Mr. President, last night in your speech you warned that there was still a potential for instability and chaos in the Commonwealth of these republics. Just what is it precisely that you're concerned about? And, given the economic constraints here in the United States, what specific steps are you ready to take today to see that doesn't happen?

THE PRESIDENT: Well, I'm concerned about economic deprivation -- that's one thing. Secondly, I'm concerned that when you put into effect bold, new free market economic systems that there will be dislocations. The managed economies have failed, but as you have a transition to market economies, there could be consumer woes out there. And I think Boris Yeltsin himself has mentioned his concerns about that in the Russian Republic. You already hear concerns being expressed in the other republics. And so it isn't easy when you make the shift from a highly-centralized economy, even though it's in the failing state, to something as bold and innovative as a market economy. And it's going to take a while to attract the investment they want.

So what I think we ought to be doing is helping where we can with food, helping where we can with medicine, and helping where we can with private investment. And of course, that's one of the categories that will -- that's one of the headings that will be addressed by our new Secretary of Commerce.

We're just beginning now in all of this. And it's very important we succeed. I'm not predicting disaster; I am just saying we've got to be alert to the pressures that are going to be brought to bear on the republics.

I saw a report today of oil shortages in the Baltic States, for example. And there's no easy answer to all of this. But I just hope that they will continue to solve these problems, for the most part, in a very, very peaceful way. We've seen some areas where it hasn't been so peaceful.

Q But can the United States do anything more specific to head off this kind of instability and turmoil?

THE PRESIDENT: I think, in something this complex, I don't think there's one easy formulation, if that's what you mean. We are going to stay involved in those areas that I mentioned. I think that will guard against the real worst-case scenario.

I've been criticized for not getting to the back of the room, so we'll do these two and then we'll go way back there somewhere -- although I do not hear from my fellow Texan back there. (Laughter.)

Q In your Christmas address you did promise that you would use the same determination on the economic problems at home that you used on ending the Cold War. What will you do between now and your State of the Union address?

THE PRESIDENT: I'm going on a foreign trip to Japan, Singapore, Australia, and Korea. And one of the things that sustained us in difficult economic times is our exports, and I want to be sure during this period of time that we do everything we can to set the ground work for expanded exports. So that's one thing I'll be doing.

The other things we'll be doing is working out the final phases of a highly complex federal budget. And the third thing will be putting the final touches on a State of the Union that will include some suggestions that I've already made and some new suggestions as to what to do in a stimulatory sense for this economy.

Q And you've ruled out any unilateral administration action between now and the State of the Union?

THE PRESIDENT: Well, there may be other steps we can take. I've mentioned three things we will be doing, but in terms of other steps there may be. We're going to be talking today, as a matter of fact, on some things here.

Q Mr. President, one of the issues that your economic advisors have stuck by closely is maintaining the budget agreement. Are you at this point ready to ditch that agreement if it suggests that you might be able to get the economy underway?

THE PRESIDENT: Well, by the budget agreement, what I think of when I think of it is holding -- keeping caps on discretionary spending. And one of the things that has kept the long-term interest rates from going out through the roof is the fact that discretionary spending is capped. And I have no desire to change that at all. I am not going to do that. And I think the markets will receive what I've just told you right now with great feeling of satisfaction.

Q But if it's not discretionary, you are willing to entertain some changes?

THE PRESIDENT: The nondiscretionary spending is going at leaps and bounds. And I don't know of many Americans who say, spend more money please from Washington. But, you know, when you take a look at some of the entitlement programs, therein lies the real expansion of government spending. What can be done about them? We're talking about that right now.

Q Possibly some cuts, sir?

THE PRESIDENT: We're just talking about a wide array of things.

Q Mr. President, now that the Soviet Union is dead and that communism seems to be dead or is dead already, what do you foresee in Cuba? What is your forecast or your outlook --

THE PRESIDENT: I've got a pretty pessimistic prospect there for Fidel Castro down there in Cuba, very pessimistic for him. Because it is so hard to be the only one that still thinks communism is a good idea, and that's what he thinks. And he's hurting his own people. And the Soviets -- the republics will be, if not cutting him off entirely, cutting him back considerably.

So what he ought to do is brighten the future for Cuba and brighten the future for the Cuban people by permitting them to have the same kinds of freedoms that the republics now enjoy -- the republics in the former Soviet Union. And that's what Fidel Castro ought to do. So, Castro, in its existing model -- no hope for him. It's a dead end. He's swimming against an inexorable tide.

Q For the future of Latin America, now that there are so many countries that need aid --

THE PRESIDENT: Very optimistic about the future of Latin America. I want to hammer out a fair trade agreement with Mexico that will create more jobs in the United States and will be of enormous benefit to Mexico. Then I want to go beyond that for more opening of trade with Central and South America. And I want to help those countries every way we can strengthen their fledgling democracies and strengthen those democracies that have been in effect for a long time.

So, Latin America, South America presents at year's end a very exciting prospect. And the United States is fully engaged. We will continue to be engaged. Haiti remains a problem, but if you ask me if I'm pessimistic or optimistic about the lives of the people south of our border being better this coming year, I would say because of the political change down there they have every opportunity for much better lives.

Q Mr. President, I wanted to ask you about public anxieties about the economy. On paper, if you compare the economy now with the '82 recession, for instance, it doesn't look that bad. Unemployment isn't as high, interest rates are relatively low. Yet, the public anxiety seems to be very high, and Alan Greenspan last week said there is a deep-seated concern out there that he hasn't seen in his lifetime.

Now, you've said that if you're unemployed the unemployment rate for you is 100 percent. But beyond that, there must be something out there that is causing this anxiety. How would you explain it?

THE PRESIDENT: I think it's somewhat the nature of this sluggish economy. I think there's a lot more white-collar unemployment and concern. It's hard for me, beyond that, to explain it because you are correct in what you say about these statistics, and yet you're also correct in what you say about confidence being

far lower than it was during the depths of the '81-'82 recession, when, as you point out, conditions in some areas were a heck of a lot worse.

So I don't really -- I haven't really been able to sort out exactly why there has been this degree of pessimism. But I will say this: I believe that's going to change. And I think what the Fed did last week was a good step. I think it will work its way through to the job creation part of this, which is most fundamental. But it's hard for me to explain exactly -- I mean, to have it explained the way that I can understand it exactly why there is the degree of pessimism. But there certainly has been, and I want to do my level-best to turn that around.

Q Mr. President, as you put your economic package together for next year, the Fed has lowered the interest rates, and some economists say that that has pretty much erased the need for a tax cut for the middle class that the Democrats are clamoring for. What's your current thinking on whether that package will indeed contain a tax cut for the middle class?

THE PRESIDENT: I will not say to you what is going to be in our proposals. I have read some speculation of that nature, but what I want to do is find the answers that will really help the economy without doing long-run damage to the economy. And beyond that, I simply would respectfully ask that I just address myself to that when I go into it with the State of the Union.

Q Republicans joined the Democrats in ridiculing the idea of a tax rebate -- that it really wouldn't do that much good. Are you playing around with some idea in that way?

THE PRESIDENT: Well, we've got some ideas that I think will be stimulative, and I think that is what is necessary. We've had some that I felt would be stimulative, and we haven't been particularly successful in getting them through Congress, but we are going to try some more. I think we owe that to the American people, and I think Congress owes it to the American people.

Q Mr. President, why are you taking corporate CEOs on your trip to Asia and not working people -- representatives of working people -- union leaders?

THE PRESIDENT: I think the major problem we're trying to do is to -- the problems we're trying to solve is to have the counterparts, the people that run the business enterprises in the various countries we are going to understand how difficult things are for the American worker, for the job-holder in this country -- union or nonunion -- and how important it is to gain access, further access to these foreign markets. So I think it is the people that are actually running these various businesses who are in the best position to discuss it in that level.

I hope they understand from studying this country as much as they do that the workers you're talking about are hurting and are concerned. And so I hope that this approach will benefit our common objectives. That is why I want them to be with us.

I might say, there are other things we are going to be talking about on this trip. We're going to be talking about the U.S. role in the Pacific. Some have felt that the United States was pulling back from its responsibilities in the Pacific, given what has happened, for example, in the Philippines. I will reassure the leaders of the four countries that I am visiting that that isn't the case, that we remain a Pacific power.

We've got some other things we'll be talking about with these various countries -- the need to work in global partnership

with them in terms of helping South and Central America, or seeing what we can do to help alleviate the suffering that might take place in these republics. So there's a wide array of subjects, but right up in the forefront will clearly be the economic questions.

Q Does it trouble you, sir, though that a lot of these executives have protectionist views that are quite at odds with your own?

THE PRESIDENT: They know my views, and I am not going to change my views to become a protectionist. But I think we have a common view that we ought to have more access to these foreign markets, and I think therein there is a total common view. But I am not going to turn protectionist. I just believe that we need to expand markets, not contract them. This country went through a disastrous experience with protectionism years ago, and we're not going to do it again.

Karen, the last one I am told.

Q On the trip, you've raised expectations pretty high with all this talk of jobs, jobs, jobs, and going to Japan. What do you realistically expect to accomplish? Are you hopeful of getting some concessions from the Japanese on trade barriers or changing some of the unfair trade practices?

THE PRESIDENT: Well, one thing we've got is that they will have a much clearer feel for the state of the U.S. economy and what the President and some business leaders think need to be done to improve the state of the U.S. economy to help create jobs in this country. We've been talking to world leaders for many years about this, but I think they'll understand when this trip is over that, to the degree there are barriers that make this trade less than fair, that they'd better do something about it.

So I would leave it general. There are some things that I could cite for you that we might get, but I'm not going to do that -- set up goals for this trip. I notice some of the political leaders up on the opposition in this country have already done that for me, so we'll just leave it there. But that doesn't bother me. We're going to stay on this free trade approach, but we're also going to try to do our best to be sure the trade is fair and fairer, and continuing to get fairer. That is what's essential here at this turn of events. We must not go back into this isolationistic's fear that inevitably will shrink markets and throw more people out of work.

So we're going to be taking a broad message on this subject of jobs, and a strong message in terms of the need for the United States to stay involved in the Pacific area. It's an important trip in that regard.

Listen, thank you all very much, and have a great new year. And I hope you had half as good a Christmas as the Bush family did -- then you'd be very, very happy.

Q What did you get for Christmas?

THE PRESIDENT: What did I get for Christmas? I can't tell you --

Q Mr. President, would you like to meet with Yeltsin -- meet Boris Yeltsin soon?

THE PRESIDENT: We talked about that, as a matter of fact, and he's -- I think it's important, I think he thinks it's important. No date was set. But clearly, we, as the leader of the largest republic, one who I said last night we wanted to help get the -- for who we'd like to see sit in that Security Council permanent member seat -- it is important we stay in a very, very close touch.

And as you know, President Yeltsin and I have been in close touch and will continue to be. But I would say that a meeting before too long is important, and I think he agrees with that.

Q Sir, would you consider inviting here to Washington for --

THE PRESIDENT: Sure, sure -- well, for what?

Q In January?

THE PRESIDENT: I don't think that would fit, but I think it's important that he come here or that I meet him somewhere, because we want to handle this relationship as best we can to see that it's peaceful, to see that all the things they've represented to us in terms of Helsinki principles and nuclear weapons and all of those things are handled well. I'm confident they will, but it doesn't hurt to have that personal contact.

Thank you all very much.

END

2:34 P.M. EST

THE WHITE HOUSE
WASHINGTON

f-6
AC HAS SEEN

December 20, 1991

MEMORANDUM FOR ANDY CARD
TOM COLLAMORE
FROM: BOBBIE KILBERG BK
SUBJ: FLUOR CORPORATION

Attached is the information we discussed on the Fluor Corporation
and Les McCraw.

BIOGRAPHICAL SKETCH OF L. G. McCRAW

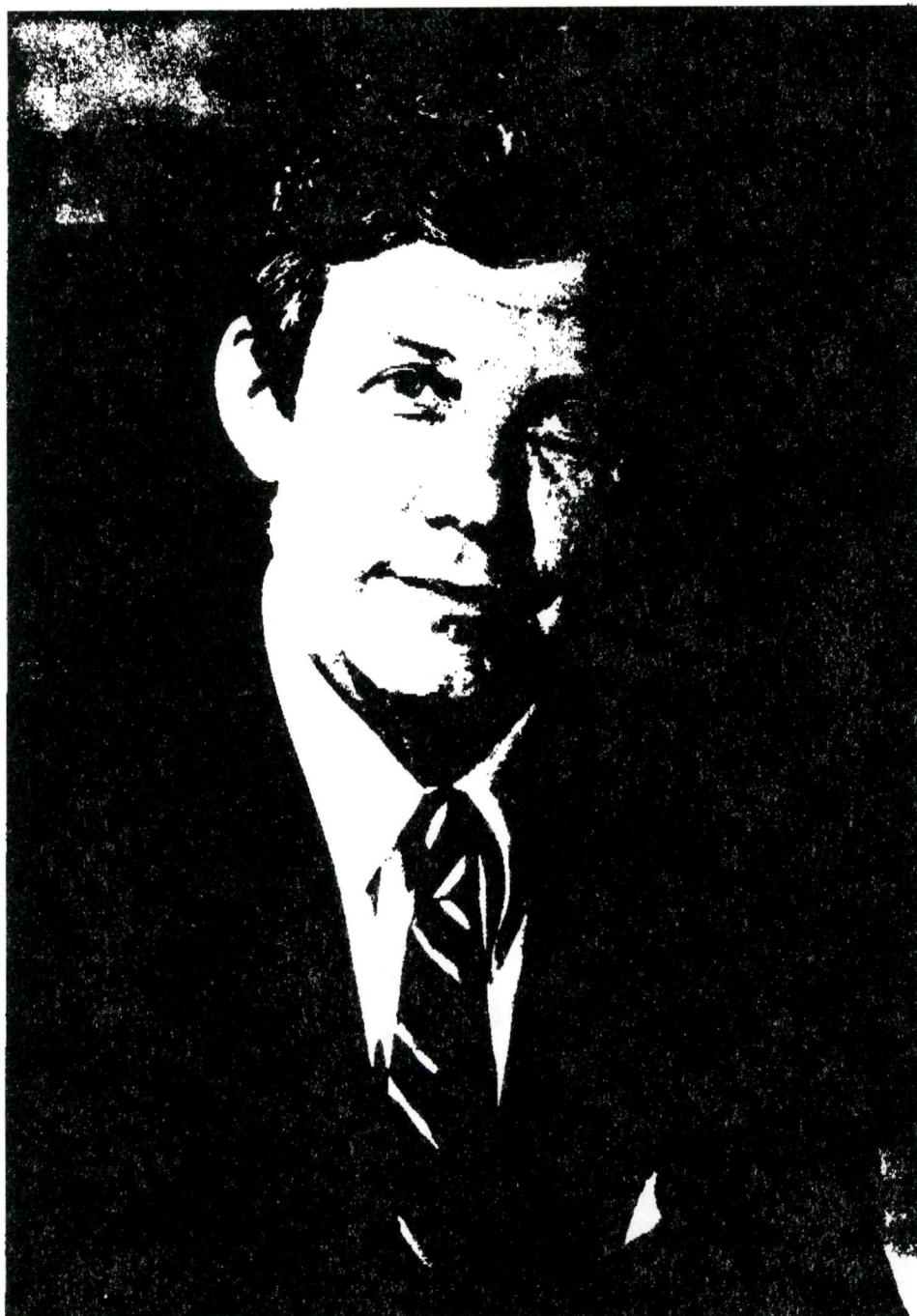
Les McCraw is chairman and chief executive officer of Fluor Corporation, an international engineering and construction company. Born and raised in South Carolina, McCraw graduated from Clemson University in 1956 with a degree in civil engineering, and is a licensed, professional engineer. His first job as an engineer was with Gulf Oil in Philadelphia, and after a stint in the U.S. Air Force, he joined Du Pont in Delaware. For the next 15 years McCraw advanced through the ranks of the company's engineering and construction divisions.

In 1975, McCraw joined Daniel Construction Company in Greenville, South Carolina, one of the top five constructors in the United States. Daniel was purchased by Fluor Corporation in 1977. McCraw was named president of Daniel in 1982, and became chief executive officer, as well as a director on Fluor Corporation's board of directors in 1984.

In 1986, the engineering, construction and maintenance capabilities of Fluor and Daniel were joined together in a new company called Fluor Daniel, and McCraw was named president and chief executive officer of the company, headquartered in Irvine, California. McCraw was named president of Fluor Corporation in 1988, and in 1990 was named vice chairman and chief executive officer of Fluor Corporation. In January, 1991 he became chairman of the board.

McCraw serves on both the College of Engineering Advisory Board and the President's Advisory Council for Clemson University and is a member of the board of trustees for Columbia College. He also serves on the board of directors for both Allergan Inc. and Multimedia Inc. His national activities include active membership in The Business Roundtable, the Construction Industry's Presidents Forum, and the National Association of Manufacturers Board. On a state basis, he is a member of the California Business Roundtable and the Palmetto Business Forum in South Carolina. His community interests include board membership on the Orange County Performing Arts Center and the Orange County Community Foundation.

During his leisure time, Les enjoys golf, travel and the arts with his wife, Mary Earle. They have three sons, Leslie III, James and John.



NEWS RELEASE**FLUOR DANIEL NAMED TOP CONTRACTOR
FOURTH CONSECUTIVE YEAR**

IRVINE, Calif., May 29, 1991 -- Fluor Daniel Inc. was named the number one engineering and construction company in the United States for the fourth consecutive year by Engineering News-Record magazine.

Fluor Daniel's lead widened to \$ 5.1 billion over its closest competitor in ENR's TOP 400 CONTRACTORS 1990 survey results. Total 1990 contracts came to \$18 billion, up from \$16.6 billion in the previous survey.

Vince Kontny, president of Fluor Daniel, said: "We're pleased to be the leader within the engineering and construction industry. We attribute this honor to our successful global marketing efforts and superior project performance. And once again, this serves to confirm Fluor Daniel people are the best the industry has to offer."

ENR is the leading trade publication in the engineering and construction industry. Figures in the survey are compiled based on the total value of prime construction contracts, shares of joint ventures, subcontracts, design-construct and construction management contracts.

Directors

Leslie G. McCraw

*Chairman of the Board and
Chief Executive Officer (1984)*

Vincent L. Kontny

President and Chief Operating Officer (1988)

Hugh K. Coble

*Group President
Fluor Daniel, Inc. (1984)*

Peter J. Fluor

President of Texas Crude, Inc. (1984)

David P. Gardner

President, University of California (1988)

Gerald M. Glenn

*Group President
Fluor Daniel, Inc. (1989)*

William R. Grant

*Chairman of the Board of Galen Associates
(1982)*

Robert L. Guyett

*Senior Vice President and
Chief Financial Officer (1987)*

Bobby R. Inman

Admiral U.S. Navy (Retired) (1985)

Robert V. Lindsay

*Retired, former President of
Morgan Guaranty Trust Company of
New York (1982)*

E. Morgan Massey

*Chairman and CEO
A. T. Massey Coal Company, Inc. (1987)*

Buck Mickel

*Retired, former Vice Chairman of the Board
(1977)*

Allen E. Puckett

*Chairman Emeritus of Hughes Aircraft
Company (1987)*

Martha R. Seger

*Member, Board of Governors of the
Federal Reserve System**

David S. Tappan, Jr.

Retired, former Chairman of the Board (1965)

Louis H. Wilson

*General, U.S. Marine Corps (Retired) and
former Commandant of the Marine Corps
(1979)*

Executive Committee

Leslie G. McCraw, Chairman

Hugh K. Coble

Gerald M. Glenn

Robert L. Guyett

Vincent L. Kontny

E. Morgan Massey

P. Joseph Trimble (ex officio)

Audit Committee

William R. Grant, Chairman

Peter J. Fluor

David P. Gardner

Bobby R. Inman

Louis H. Wilson

Nominating Committee

Bobby R. Inman, Chairman

Peter J. Fluor

David P. Gardner

Robert V. Lindsay

Leslie G. McCraw

Allen E. Puckett

Organization and Compensation Committee

Louis H. Wilson, Chairman

William R. Grant

Robert V. Lindsay

Allen E. Puckett

Senior International Advisors

Dr. William A. Cochrane

*Fluor Daniel Canada, Inc.
Canada*

Sir Francis Kennedy

*Fluor Daniel Limited
United Kingdom*

Sir John Mason

*Fluor Daniel Australia Limited
Australia*

Cor Van Rijn

*Fluor Daniel B.V.
The Netherlands*

Years in parentheses indicate the year each director was elected to the Board. Except as otherwise indicated, all offices are of the company.

**Will become a director upon her departure from the Board of Governors of the Federal Reserve System.*

WALL STREET
JOURNAL
THURSDAY, APRIL
18, 1991
(FRONT PAGE)

Global Reach

Biggest Builder, Fluor, Sees Kuwaiti Contracts As a Mixed Blessing

Firm Has Been Burned Before By Betting Heavily on Oil; Its Work Backlog Grows

McCraw's Organization Chart

By DAVID J. JEFFERSON

Staff Reporter of THE WALL STREET JOURNAL
IRVINE, Calif.—As Allied forces advanced in the Persian Gulf, America's biggest engineering and construction firm was advancing on Wall Street.

Figuring that Fluor Corp. would play a major role in rebuilding Kuwait, investors in six weeks pushed up Fluor stock from \$35 a share before the air war to nearly \$55 when President Bush announced a cease-fire.

But Fluor, while it negotiates large contracts with Kuwait, is trying to keep that country in perspective. "Kuwait is definitely a good opportunity for us," says Fluor's 53-year-old president, Vincent Kontny, "but no better than anywhere else in the world."

As Fluor representatives were aggressively courting Kuwaiti oil ministry officials and pushing to enter the country after the war ended the Iraqi occupation, Mr. Kontny himself was in Venezuela and Chile assuring clients that "Kuwait won't suck up all the engineers from the rest of the world." And 56-year-old Leslie McCraw, running his first annual meeting as Fluor's chairman, told



Leslie McCraw

shareholders that any Kuwaiti work "must be tempered with our obligations to the Saudis" under a huge contract signed just last June.

Fluor has reason to be cautious even if Kuwait, as predicted, turns out to be the biggest construction project in history. Fluor has been burned before. It took the company years following painful business reverses—and a loss of \$633 million in 1985—to wean itself away from Mideast and petroleum-related business and to develop other engineering markets. Rebuilding Kuwait could cost \$50 billion, as some suggest, but Fluor executives remain publicly ambivalent about this new opportunity.

The company nearly came undone in the early 1980s when a major acquisition of a mining and metals concern soured just as its dominant oil-industry construction business collapsed along with oil prices. The cautious Fluor executives who succeeded Chairman J. Robert Fluor after his death in 1984 vowed never again to count on oil projects for survival. They proudly note that just 30% of Fluor's backlog is oil-related, down from 90% a decade ago. Mideast contracts could easily enough reverse the percentages again.

It's an interesting business problem. Reducing its dependence on Mideast hydrocarbons has been good for Fluor. Revenue last year jumped 19%, to a record \$7.45 billion. Net income was \$146.9 million, or \$1.81 a share, close to peak levels of the early 1980s. But the company is again tempted by the siren song of oil.

All That and Kuwait, Too

"An opportunity comes along, and the tail begins to wag the dog," says Suresh Kotha, professor of management at New York University's Stern School of Business. If Fluor wants to focus again on Mideast hydrocarbon work, it must "balance that against future opportunities elsewhere," he warns.

Fluor's public downplaying of its Kuwait opportunity is typical of a company that would consider it a compliment to be called boring. When it landed its contract last year to manage the expansion of Aramco oil and gas facilities in northern Saudi Arabia, its brief notice, headed "Fluor Daniel Announces Saudi Aramco Award," read as if it were a \$5 million job, not the \$5 billion deal some analysts envision. Nor has Fluor added the Saudi contract to its official \$10 billion backlog, saying the program is still being defined and will be done in phases. The company remembers too well how past mega-projects turned out to be mirages.

Throughout the 22-year reign of Mr. Fluor, whose Swiss immigrant grandfather founded the company in 1912, Middle East oil was king. A free-market thinker who played dominoes, owned thoroughbreds and backed politically conservative causes, he once expressed his business philosophy as follows: "We always need more."

He went out of his way to foster relations with his Arab clients. In the 1970s, for example, Mr. Fluor urged Congress to sell F-15 fighter planes to the Saudis, longtime Fluor customers. He also tried to establish a center for Mideast studies at the University of Southern California, a plan that failed when it came to light that corporate donors with heavy Arab business interests were to have much influence over what was taught.

Controversies aside, the Mideast was a gold mine for Fluor until the early 1980s. Both Fluor's backlog and its stock soared. Then Fluor joined the acquisition craze, paying \$2.2 billion in 1981 for St. Joe Minerals Corp., seeking a business to offset any downturn in construction.

But commodity prices fell, leaving

Please Turn to Page A4, Column 5

From: DRI and

DGBernhart	338J
CJBradley	330N
EDCarano	338M
HKCoble	339A
CR Cox	338F
JFCooks	339H
LN Fisher	330H
JRFloor II	551Z
HSGubert	334K
GM Glenn	339O
RLGwyett	330S
LM Hart	338P
VL Kontny	330T
LWLineberger	338R
RJ Maslin	338B
LGMcCraw	330Q
TP Merrick	338H
TH Morrow	330M
DJHNicoll	330F
CR Oliver	338K
JFPanichi	339O
EJParante	338G
NA Peterson	330B
VL Prochil	339C

CP Pringle	338L
JORollins	330R
JC Stein	338I
DS Tappan	339B
SG Tappan	338I
RM Teater	338L
FJ Trimble	330C
JAZakaryan	334Q

MDBurnette	RPHack
HCBurnham	RJHarden
BChristmas	FBickham
EAzodan	JFPowell
JKelly	JCortes
RWDean	BHudson
JESTack	RWSharp
JAllen	RFenny
RDMitchell	CCofre
RGGallagher	FLWigel
LABolander	WLCarter
EMMassey	KSloan
ETJselink	KMcCraw
JJSiedhoff	RJRagan
JMChoi	JGGEarl
EHSie	BSLawrence
DGurney	PFiabery

7

Global Reach: Fluor Plays Down Its Big Opportunities in Kuwait

Continued From First Page

Fluor with \$1 billion in high-interest debt on an asset that was losing value. When oil prices also started falling in 1981, with them went the market for billion-dollar refineries and petrochemical plants. Fluor's revenue plummeted to \$3.8 billion in 1985 from \$6.4 billion three years earlier. The stock sank as low as \$12 a share. Though impatient investors have lost some of their enthusiasm for Fluor while waiting for Kuwaiti contracts to jell, the stock lately has regained strength, closing yesterday in New York Stock Exchange composite trading at \$49.25 up \$3 after a First Boston analyst rated it a buy.

After Mr. Fluor died, it fell to his successor as chairman, David Tappan Jr., to make the painful cuts Mr. Fluor had avoided. The white-haired Mr. Tappan (now 68 and a Fluor director) quickly acquired the nickname "Ice Man." He took hundreds of millions of dollars in write-offs, slashed the work force to 14,000 from 44,000 and shed \$750 million in assets, including all natural-resource holdings except coal and lead.

Dumped were many symbols of Fluor's acquisitive days, among them its headquarters in Irvine, a rambling glass and concrete fortress with huge air-conditioning ducts resembling gun turrets. Fluor sold it to Trammell Crow Co. of Dallas and now is a tenant in the building.

"All I was concerned with in those days were four-letter words: cash and debt and coal and lead," recalls Robert Guyett, chief financial officer. The worrying paid off. Long-term debt now is less than \$60 million, and Fluor has a cash and bond portfolio of nearly \$500 million. Its debt is just 7% of equity, quite a contrast to the construction-industry average: 43%.

Crucial Combination

Critical to the turnaround was the 1986 combination of the company's core Fluor Engineers business with its Daniel International Corp. subsidiary. Daniel, though owned by Fluor for nine years, still operated autonomously out of its base in Greenville, S.C. While Fluor Engineers focused on big overseas jobs for the oil industry, Daniel was mainly a domestic builder of plants for industries like chemicals, pharmaceuticals, power and paper. Fluor Chairman McCraw climbed the corporate ladder from the Daniel side.

The combination of the two units was the Fluor equivalent of China's Cultural Revolution, right down to a pamphlet of maxims, called the "Mission Statement." Executives still carry it and quote it.

And structural changes ensued. Previously, whole divisions of workers specialized in a single sort of project, say refineries. Now 80% are generalists. A draftsman might do power plants one month and paper mills the next.

Customer Service

Executives also have put new emphasis on serving customers and shedding some of Fluor's complacency about going after business. People notice the difference.

In the early 1980s, when Fluor tried out for a power-plant maintenance contract from T.U. Electric, the Dallas utility was not exactly bowled over. "They were just average. They weren't poor, but they weren't [great] either," says Bob Gary, executive vice president at T.U. After its restructuring, Fluor tried again for the job and got it. "Now we think they're a strong, very progressive outfit," Mr. Gary says. Fluor even adopted for its own use with executives T.U.'s unusual "whole brain" training program, which emphasizes the development of creativity by doing such things as bringing in schoolchildren and watching how they solve problems.

Fluor now is organized so "it can make itself look like exactly what the client needs," says Stephen Dobi, a Smith Barney analyst. Fluor chairman McCraw likes to make the same point with the help of a bendable, star-shaped toy he keeps in his office. He calls it his "organizational chart," and it is supposed to represent Fluor's adaptability. "One of the keys is that you listen carefully to what the client wants," he says, turning the star into a diamond. "The easiest trap in the world is to come up with a set package."

That means more than just having engineering expertise. At Fluor's giant Escondido copper mine development in Chile, the staff is "100% Chilean," says Mr. Kontny, Fluor's president. "If we're seeking a job in Canada, we wrap our man in a maple leaf," he adds. Fluor wants to increase international business to about 40% from the current 30%.

New Partnerships

Fluor has continued to try to build up its non-hydrocarbon work. It has formed long-term partnerships with several big customers—including Mr. McCraw's alma mater, Du Pont Co.—in which Fluor operates almost as the engineering and construction arm of its customer. In 1989, it joined with Duke Power Co. to design,

build and maintain coal-fired power plants, a business that Duke says is expected to become profitable this year.

Under Mr. McCraw, Fluor has continued to scale back its least profitable natural-resources investments. On April 8, Fluor said it would cut back its lead production and related work force by about 25%. Fluor has said it would consider selling the unit, called Doe Run Co.

Acutely aware if not jealous of the connections archrival Bechtel Group Inc. has had with top government figures (including former Secretary of State George Shultz), Fluor is now leaning on its outside directors for help. Bobby Inman, a retired admiral and former CIA deputy director, looked after the safety of several hundred Fluor workers stationed in Saudi Arabia throughout the war. Director Louis Wilson, a retired Marine Corps general and military analyst for TV news programs during the Gulf war, helped Fluor toughen up its Washington lobbying office. The newest director, Martha Seger, joined the Fluor board last month, fresh from the Federal Reserve Board.

Fluor also has increased its political giving. Last year, its political-action committees gave candidates for Congress \$305,343, up from \$86,550 in 1988. Last month, it picked up the tab when a dozen congressmen visited Kuwait.

And Fluor has been prospering in Washington. The Department of Energy recently chose Fluor to compete with Bechtel for a \$2 billion contract to build a tritium-production reactor for making nuclear bombs.

The Fight for Kuwait

But that contest is nothing compared to the one in Kuwait between Fluor and "Big B." Shortly after the war ended, Bechtel grabbed the first major Kuwaiti contract, an agreement to assist with oil-field restoration. Fluor had some explaining to do on Wall Street.

It doesn't expect to remain empty-handed in Kuwait. It has delivered a five-page outline to the Kuwaitis detailing its main interests there: building refineries and doing other oil and gas work. That, after all, has been Fluor's metier in Kuwait since the 1960s.

But Kuwait is really just one more dot on the map of Fluor's world.

In addition to its big Saudi Aramco job, Fluor has a \$1 billion backlog of automotive-plant construction yet to do around the globe, and it plans an assault on Eastern European projects, in concert with eastern Germany's largest industrial builder. Fluor is also looking to Southeast Asia and Venezuela for more oil work; last week it was awarded a \$500 million refinery expansion contract in Indonesia.

"Clearly we have to respond to Kuwait," says Mr. McCraw. "But what's it going to mean to us in 1995?"

Fluor: Caution in the Desert Wind

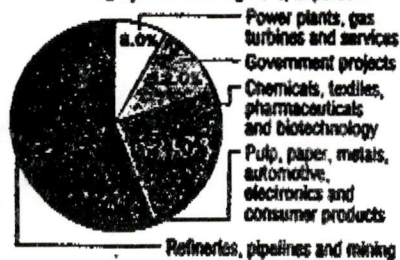
With Backlogs Growing Again...

Total backlogs,
in billions



Diversification is Key...

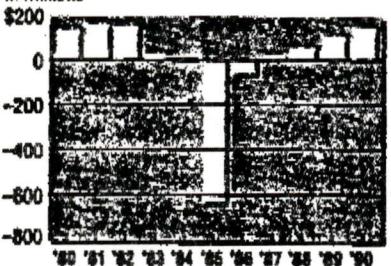
1990 backlog by business segment, in percent



TOTAL 1990 BACKLOG: \$9.86 BILLION

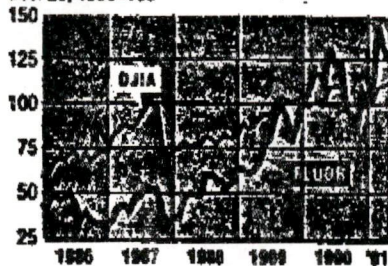
To Protecting the Bottom Line ...

Annual net income or loss,
in millions



And Maintaining the Stock

Comparison of Fluor stock and the DJIA,
Dec. 28, 1990=100



NEWS RELEASE**FLUOR CORPORATION ANNOUNCES YEAR-END RESULTS**

IRVINE, Calif., December 9, 1991--Fluor Corporation announced today net earnings for the year ended October 31, 1991 of \$160.8 million, or \$1.97 per share, up 9 percent compared with net earnings of \$146.9 million, or \$1.81 per share a year ago. Revenues were \$6.7 billion compared with \$7.4 billion in 1990. Fiscal years 1991 and 1990 included nonrecurring items totaling 41 cents and 33 cents, respectively.

Earnings results for Fluor Daniel, Fluor's engineering and construction (E&C) unit, exceeded the prior year by more than 20 percent due to improved performance. E&C revenues for 1991 declined slightly compared to last year, primarily due to longer lead times on larger contracts beginning to enter the business mix. New awards for the year were \$8.5 billion, 12 percent ahead of 1990. Year-end backlog grew to \$11.2 billion, up 17 percent from a year ago.

A. T. Massey, the company's coal investment, reported strong earnings level with last year's performance. In addition, a new, five-year labor agreement was successfully negotiated between the United Mine Workers Association and Massey's Rawl Sales and Processing Company in West Virginia.

Doe Run, Fluor's lead investment, posted a modest loss for the year due to continued weak pricing in the global lead market. Doe Run significantly reduced both production levels and operating costs during the year. In addition, the company successfully began
continued. . .

lead recycling operations in a new plant designed for the production of lower cost lead metal.

Les McCraw, Fluor Corporation chairman and chief executive officer, said: "Earnings growth in our core business, engineering and construction, is on track, in spite of several pockets of recession in Fluor Daniel's markets. However, geographic and market diversification, combined with flexible operating approaches, have proven to be effective strategies for expanding the company's position in the global marketplace.

"Fluor is generating positive cash flow and enjoys a strong balance sheet which enhances the company's overall flexibility," McCraw continued. "New business prospects are relatively strong and we remain confident that the decade of the nineties will be a period of worldwide capital expansion."

For the fourth quarter of 1991, net earnings were \$45.9 million, or 56 cents per share, compared with \$40.7 million, or 50 cent per share last year. Revenues were \$1.7 billion compared with \$2 billion a year ago. New awards for the fourth quarter were \$1.8 billion, slightly up from the same period in 1990.

Net earnings for the fourth quarter were increased by \$10 million, or 12 cents per share from the sale of Fluor's minority interest in Bermuda-based insurer Centre Reinsurance Holdings Ltd.

continued. . .

(11)

COMPARATIVE FINANCIAL RESULTS
(in millions, except per share amounts)

<u>FISCAL YEAR</u>	<u>1991</u>	<u>1990</u>	<u>\$</u> <u>CHANGE</u>
Revenues	\$ 6,741.7	\$ 7,446.3	- 9
Net Earnings	160.8	146.9	+ 9
Net Earnings per Common Share	1.97	1.81	+ 9
Weighted Average Shares	81.8	81.3	--
New Awards	8,531.6	7,632.3	+12
Backlog - October 31	11,181.3	9,557.8	+17
Work Performed	\$ 5,791.8	\$ 6,382.8	- 9
 <u>FOURTH QUARTER</u>			
Revenues	\$ 1,669.0	\$ 1,970.9	-15
Net Earnings	45.9	40.7	+13
Net Earnings per Common Share	.56	.50	+12
Weighted Average Shares	81.9	81.3	--
New Awards	1,813.7	1,758.0	+ 3
Work Performed	\$ 1,431.8	\$ 1,709.5	-16

FLUOR DANIEL'S CURRENT PROJECTS IN ASIA

CHINA

<i>Client</i>	<i>Project/Location</i>	<i>Scope of Work</i>	<i>End Date</i>
Degussa Carbon Black Corp.	Eqmt. Relocation Quindao	Eqmt. Dismantling/ Support Serv.	1991
China Nat'l Tech. Import Corp. (CNTIC)	Tieda Pipeline Shenyang	Tech. Recommendations/ Start-up Assist.	1991
Panda Motor Corp.	Automotive Mfg. Plant Huzhou	Project Mgmt., Procure., Constr. Mgmt.	1991

INDONESIA

Freeport McMoran, Inc.	Copper Concentrator Expan. (32,000 TPD to 52,000 TPD)	Engr., Procure., Constr. Mgmt.	1992
Pertamina	Maintenance System Installation	Program Installation, Training Serv.	1991

JAPAN

Kansai Int'l. Airport Group	North Passenger Terminal of Grass Roots Int'l. Airport	Constr. Mgmt.	1994
Hitachi	Economine FG Pilot Plant	Process Package Design	1991

KOREA

Betz (PT) Ltd.	Chemical Blending Plant	Conceptual Design, Basic Engr., Detailed Engr., Procure Assist., Constr. Mgmt.	1991
POSCO-Höls	Silicon Lifter Mfg. Plant	Engr. Design, Procure., Constr. Serv.	1991

MALAYSIA

Shell	Hydrocracker Unit	Engr., Procure., Constr. Mgmt.	1994
Henkel KGAA	30,000 TPA Fatty Acid Plant	Engr., Procure., Constr. Mgmt.	1991
Malaysia Carbon	Carbon Black Plant Expan.	Engr., Constr. Mgmt.	1991

THE PHILIPPINES

Valero Refining Co.	12,500 BPD MTBE Plant (Texas, USA)	Engr., Procure., Constr. Serv.	1993
Valero Refining Co.	Grass Roots Hydrocracker Unit (Texas, USA)	Engr., Procure., Constr.	1991
Shantou Ocean Enterprise (Group) Co.	Polystyrene Plant (Shantou, China)	Detail Engr.	1991
UNOCAL Thailand, Ltd.	Process Platform (Gulf of Thailand)	Detail Design Supervision, Drawing Serv.	1991

TAIWAN

Chinese Petroleum Corp. (CPC)	Two Tank Farms	Environ. Impact Study	1991
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THAILAND

Bangkok Petroleum Co.	Reformer Modules	Engr. Serv., Procure. and Commissioning Assist.	1991
UNOCAL Thailand Ltd.	Offshore Process Platform	Detail Design Supervision and Drawing Serv.	1991

FLUOR DANIEL'S EXPERIENCE IN ASIA

CHINA

- Office staff of 820 including joint venture staff, located in Beijing, China (Est. 1978)
- Sino Fluor joint venture
- 43 projects over the last 10 years including
 - 70,000 TPY Polystyrene plant and
 - 200MM TPY grass roots coal mine
- Current projects include a baby food plant expansion and an auto manufacturing plant

HONG KONG

- 2 projects over the last 10 years including a semiconductor assembly plant
- Joint venture with British Electricity International

INDONESIA

- Office staff of 365 located in Jakarta, Indonesia (Est. 1972)
- 13 projects over the last 10 years including
 - 100,000 BPD grass roots refinery & marine terminal
 - Current projects include a copper concentrator expansion (32,000 TPD to 52,000 TPD)

JAPAN

- Office located in Tokyo for almost 30 years
- 17 projects for Japanese companies around the world over the last 10 years including
 - Grass roots 64K RAM semiconductor manufacturing plant
- 17 projects for Japanese companies around the world were completed prior to 1981 including
 - 3 NGL recovery plants
- Current projects include the north passenger terminal at the Grass Roots International Airport

KOREA

- Office located in Seoul, Korea (Est. 1965)
- AEC International joint venture
- 20 projects over the last 10 years including
 - 160,000 TPY FTA and 100,000 TPY DMT plant
 - 300 MPD refinery expansion
- 9 projects completed prior to 1981
- Current projects include an electronics facility

MALAYSIA

- Office staff of 35 located in Kuala Lumpur, Malaysia (Est. 1970)
 - Fully operational subsidiary and Joint Venture with Ranhill-Fluor Sdn Bhd
- 27 projects over the last 10 years including
 - Middle distillate synthesis plant
 - High vacuum unit and bitumen facilities
- Current projects include a 20,000 TPA fatty acid plant

THE PHILIPPINES

- Office staff of 272, located in Manila, Philippines (Est. 1989)
- Joint venture with AG&P
- 12 major projects over the last 10 years including
 - 20,000m² electronics assembly and test facility
 - 300 MW coal-fired thermal power plant
- Currently working on the front end of a refinery expansion for Shell

SINGAPORE

- 3 projects over the last 10 years including an epoxy molding compound facility
- 3 projects prior to 1981 including a crude expansion debottlenecking project

TAIWAN

- Current projects include alkylate plant and EIS

THAILAND

- Office located in Bangkok, Thailand
- 8 Major projects over the last 10 years including a 260-mile offshore pipeline
- Current projects include a refinery upgrade and offshore platform

THE WHITE HOUSE
WASHINGTON

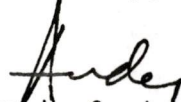
December 6, 1991

Dear Mr. ~~Frias~~ ^{Touy}:

I'm very sorry that the schedule was so hectic during your time here at the White House. I had looked forward to meeting you and Mr. Bensaude and hope you will let me know when you are in Washington again so that we can try to reschedule a meeting.

Thank you for your understanding and patience. Please keep in touch.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff

Times were hectic! Sorry!

Mr. Antonio Frias
President
S&F Concrete Contractors, Inc.
Post Office Box 427
Hudson, Massachusetts 01749-0427

THE WHITE HOUSE
WASHINGTON


December 2, 1991

Dear Peter:

Thanks very much for your letter about Judge Charles Black. I've received a lot of good comments about him and appreciate your weighing in on his behalf. I'll share your recommendation with others here.

I hope all is well with you. Please keep in touch.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff

Honorable Peter Forman
Minority Leader
House of Representatives
The Commonwealth of Massachusetts
State House
Boston, Massachusetts 02133

cc to Bayden Gray



PETER FORMAN
MINORITY LEADER

The Commonwealth of Massachusetts

House of Representatives

State House, Boston 02133

RECEIVED

NOV 21 1991

1ST PLYMOUTH DISTRICT
51 WARREN AVENUE
PLYMOUTH, MA 02360
HOME: (508) 746-0344
OFFICE: (617) 722-2100

November 12, 1991

Honorable Andy Card, Jr.
The White House
Washington, DC 20500

Dear Andy,

I understand that Judge Charles Black is being considered for possible appointment as a Federal Judge. I would like to offer my support for his consideration.

I had the pleasure of working with Judge Black earlier this year when we were considering the budget. I met with him to discuss possible savings in the Judiciary accounts. He provided me with half a dozen excellent ideas on administrative changes which would save money and reduce the state's backlog of cases.

Enclosed are copies of some of his recommendations. I think you will agree that he shows a great deal of initiative and ability to deal with some tough matters.

Although I don't claim any extensive dealings with the state's budgets, I can tell you that Judge Black impressed me as one of our bright lights -- but that probably is because he is one of the few Republicans on the bench.

Sincerely,


PETER FORMAN
Minority Leader

PF/jmf
enclosures

THE WHITE HOUSE

WASHINGTON

November 25, 1991

Dear Dick:

Thanks very much for your letter of November 18.
It's good to hear from you.

I'll weigh in with Mrs. Bush's scheduling staff
on behalf of the South Shore ARC's annual dinner
dance in March. This is a very worthwhile effort,
and I'm sure the First Lady's staff will give your
invitation close attention.

I hope all is well with you. Please keep in
touch, and have a great holiday season.

Sincerely,



Andrew H. Card, Jr.
Assistant to ~~the~~ President
and Deputy Chief of Staff

Mr. Richard E. Frye
South Shore Association
for Retarded Citizens
Post Office Box 58
North Weymouth, Massachusetts 02191

bcc: Susan Porter Rose



SOUTH SHORE ARC

DINNER DANCE

Tentative Date: SATURDAY, MARCH 28, 1992 (can be rescheduled)

Located in south suburban Boston area on Route 128: LOMBARDO'S
6 Billings Street
(Route 128 at Route 28)
Randolph, Massachusetts 02368
(617) 986-5000

Private cocktail reception beginning at: 6:30 p.m.
General Reception beginning at: 7:30 p.m.
Dinner and Dancing: 8:00 p.m. to Midnight

Traditionally, 600 people participate in this social, family-oriented event. Over the past several years, we have expanded our fundraising efforts around the event. In 1991, more than fifty persons attended a private reception (at \$100 per person) featuring local radio personalities. Over 500 people attended the general reception and dinner-dance at \$30 per person. We were able to raise close to \$40,000. If Mrs. Bush were to attend, we anticipate at least tripling the attendance and enhancing our fundraising capacity multi-fold.

The cost has been kept low intentionally to allow families and "clients" (particularly group homes and residences) to attend. In 1992, we intend to host the private reception (which includes dinner later) at \$100 to \$250 per person, depending on whether Mrs. Bush can attend. The cost of the dinner will be \$35 per person but we could increase to \$50 if Mrs. Bush attends.

Having Mrs. Bush attend will significantly enhance our fundraising efforts as well as on-going promotional and public awareness efforts. And, we will raise the sights of the families we serve and of our support base within the community.

Also, if Mrs. Bush were to attend, we would coordinate the event with the state-level affiliate organization and other regional Associations for Retarded Citizens (ARC's) in Massachusetts and in New England. We could arrange and plan to hook up, through closed-circuit live satellite, similar dinners in three to six different major cities (hosted by sister organizations) which would enhance Mrs. Bush's audience reach, potentially Worcester, Lowell and Springfield (Mass), and perhaps Concord and/or Manchester (N.H), Burlington (Vermont), Hartford (Connecticut), Providence (Rhode Island), and Portland (Maine). Mrs. Bush could address assembled groups at each of the concurrent events. To South Shore ARC's audience of at least 1,500 we would add another 2,000 to 3,500 people at the remote sites.

South Shore ARC has been actively developing public awareness through media exposure. We have had Public Service Announcements professionally produced, and have made a concerted effort with media. We have experienced good coverage through Boston and local radio/television as well as area-wide print outlets. Due to our initial success, we are spearheading a state-wide campaign for the state affiliate and other regional associations. With this program in place by the winter, we will be positioned to leverage optimal media coverage should Mrs. Bush attend.



RECEIVED

NOV 25 1991

November 18, 1991

Mr. Andrew Card
The White House
Washington, DC 20500

Dear Mr. Card: *Andy*

It seems like just a few months ago we were organizing your campaign efforts back here in Braintree. I know it has been longer, but I look back warmly on those times, and hope that you are faring well. We are ready to gear up the machinery whenever you are ready to come back.

Actually, I am writing to ask your help. As you may know, I serve as a member of the Board of Directors of the South Shore Association for Retarded Citizens, a great organization serving thousands of disabled individuals and their families in greater Boston and the South Shore. Every year, we host a major Dinner-Dance as a fundraising/social event for the association. We have invited Barbara Bush to a private cocktail reception and the Dinner-Dance on Saturday, March 28, 1992. Her scheduling office has written us a nice letter indicating they would keep us in mind, but we are uncertain how to firm up the commitment. Is there anything you might do help us secure Mrs. Bush's attendance at this event?

As you might suspect, Mrs. Bush's joining us will help us promote the organization and successfully raise funds. For Mrs. Bush, it will connect her with a strong grass-roots organization state-wide, an effort which strives to enhance the quality of life for disabled Americans.

South Shore ARC serves thousands of individuals and families through a wide range of programs. Recently, the organization received a major grant from the Department of Health and Human Services to conduct a national demonstration project which will 25 persons who are mentally retarded become homeowners! The idea is revolutionary: that persons with developmental challenges can actually live in and own their own homes. We are proud that this program has received funding under the Bush Administration. We hope Mrs. Bush will refer to this project when she joins us.

Again, anything you might do to help us secure Mrs. Bush for our event will be appreciated. There are plans for the state organization (ARC/Mass.) to co-host several events in major cities such as Worcester and Springfield and to connect our dinners by live remote broadcast so that Mrs. Bush will actually be seen and heard by thousands of people at the same time.

We will be grateful for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Dick".

Richard E. Frye

THE WHITE HOUSE

WASHINGTON

November 19, 1991


Dear Bill,

Thanks for your letter of September 26. I apologize for being so long getting back to you.

Based on the information I have been given, in order for Liberty to clear up this matter, Liberty must provide confirmation numbers that would have been issued by FMS at the time the telephonic notifications of deposit were made on August 24, 1987 and March 11, 1988. I'm advised that unless Liberty can provide those numbers, Treasury may have a fairly solid case.

I'm sorry I can't be of more help here, Bill, but I appreciate hearing from you. Please keep in touch.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff

Mr. T. William Fitzgerald, Jr.
President and Chief Executive Officer
Liberty Bank and Trust Company
Seven School Street
Boston, Massachusetts 02108-4397

Andy,

For your review.

PLEASE NOTE that Mr. Fitzgerald mentions in the last paragraph of his letter that he is "still anxiously awaiting my invitation to a White House dinner that you solemnly promised me but we will wait patiently as we know Andy Card always delivers."

Care to comment, or better to ignore?

Tc

Document Originally
Attached to
Following Page

Linda -
Please type up a
brief response.
Thank.

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN

Date: 11/14/91

TO: Andy Card

FROM: GARY R. BLUMENTHAL
Deputy Assistant to the President
for Cabinet Liaison
Room 231, OEOB, x6630



This is in followup to the inquiry regarding Liberty Bank and Trust Company's dispute with Treasury over the transfer of HUD funds.


You can read the attached memo from Treasury but in short, we need to ask Liberty if they have a confirmation number from their claimed telephonic notification to Treasury. Consistent with most major transactions by telephone, Treasury issues a confirmation number to depositors calling in to the Financial Management Service.

Treasury claims to have "a solid case against Liberty". If Liberty has confirmation numbers for other deposits but not the one in dispute, they do have a problem with their case.

Please let me know if you want me to call Liberty. I am happy to be of further help!

November 7, 1987

MEMORANDUM TO BLAIR DOWNING

From: David A. Lebryk 
Subject: Liberty Bank and Trust Company

Summary

Gary Blumenthal's memo of November 1, 1991 asks us to check into a conflict Liberty Bank and Trust is having with the Financial Management Service (FMS). As a result of incidents occurring in 1987 and 1988, FMS is requesting that Liberty pay \$73,830¹ in accrued interest on HUD funds that were held by Liberty and not transferred to Treasury in a timely fashion. Liberty disputes the claim and has turned to Senator Kennedy's staff for relief. As outlined below, FMS appears to have a solid case against Liberty and expects to prevail in its claim against the bank.

Background

Liberty Bank and Trust, a minority owned bank, has been the local depository for HUD's Boston office since early 1987. Each time HUD wishes to deposit funds with Treasury, Liberty is required to place the funds in a non-interest bearing account and call FMS at a 1-800 number to report the deposit (Liberty also receives a confirmation number to verify the transaction). Shortly thereafter the funds are automatically withdrawn from the account by FMS. Separately, HUD sends FMS confirmation of the initial deposit with Liberty.

On August 24, 1987 and March 11, 1988, a courier from Liberty picked up funds from HUD and deposited them in an account at Liberty. FMS has no record of having been called on those dates to record the transactions. In August 1989, when cross checking deposit receipts from HUD, FMS detected that the funds had not been reported to FMS nor withdrawn. FMS immediately withdrew the funds.

As a result of the delay, Treasury maintains that Liberty owes \$73,830 for "cumulative gain" resulting from the Bank's use of the funds during this period. Liberty contends they were not at fault -- that the fault lies with FMS who did not make the proper entry.

1 FMS is also requesting an additional \$10,216.47 in excess earning on the Treasury Time Balance account maintained by Liberty for a total claim of \$84,047.

According to FMS, Liberty's case is very weak. The Memorandum of Understanding signed by Liberty on May 8, 1987 specifically spells out Liberty's obligations:

The Depository shall be liable to Treasury for the time use value of funds for any delay in the transfer of funds to Treasury and for any collected funds which remain for any reason with the Depository past close of a business day after the day of a Federal Agency deposit. (Emphasis added)

In addition, holding funds which are required to be transferred to the Treasury makes the depository liable to the Treasury for the value of funds "whether the funds were held or transferred without fault of the depository" as outlined in the Treasury Financial Manual (Volume V, Chapter 200, Section 2055).

FMS feels strongly that they are correct in making their claim on Liberty for the accrued interest and are prepared to turn the case over to Justice if Liberty does not make full restitution.

THE WHITE HOUSE
WASHINGTON

DATE: October 30

TO: Gary Blumenthal

FROM: ANDY CARD

Please have someone in your shop check on the status of this matter. I don't want to get involved, but I would like to respond.

Thanks.

AC HAS SEEN
10/20/91



Liberty Bank and Trust Company

RECEIVED
SEP 30 1991

T. WILLIAM FITZGERALD, JR., C.C.L.
President and Chief Executive Officer

September 26, 1991

THE WHITE HOUSE
WASHINGTON

Date: 10.20

TO: *Linda C.*

FROM: ANDY CARD

- Action
- Your Comment
- Let's Talk
- FYI

*Can you as Cabinet Affairs
to get the status of this. I
don't want to get involved
but would like to respond.*

nk you can be of some
and Trust Company has been
yion Hud Office for many
in Liberty Bank, the Bank
and Treasury transfers money

posit was made at Liberty,
Treasury did not immediately

ry has ascertained that the
ccusing Liberty of not
y. They are charging
ome \$70,000 for this one

ur fool proof procedure
claim Treasury just did
of a 4 1/2 year flawless
Treasury office has no
his notification. Liberty

obligation to Treasury to reconcile the
and would have no reason to know if Treasury wanted
money to stay in one place or another.

We have met with Treasury and they refuse to accept any
incidence of blame.

As a last ditch effort before litigation I have offered
a compromise settlement to Mary Sophos, Deputy Secretary of
Treasury. We have agreed to go as far as accepting 50% of
the blame and settling in that manner. As of yesterday I
have made this offer to Miss Sophos and I am enclosing a copy
of that offer herein.

Mr. Andy Card

-2-

September 26, 1991

I would sincerely appreciate your reviewing this matter and hopefully you would find time to call Miss Sophos and see if you can be helpful in achieving the settlement for me.

I am still anxiously awaiting my invitation to a White House Dinner that you solemnly promised me but we will wait patiently as we know Andy Card always delivers. A million thanks for past favors and I thank you in advance for looking into this matter for me.

Sincerely,



T. William Fitzgerald, Jr.
President and C. E. O.

TWF/djb
Enclosure

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STAFF LIAISON



Liberty Bank and Trust Company

T. WILLIAM FITZGERALD, JR., C.C.L.
President and Chief Executive Officer

September 25, 1991

Ms. Mary C. Sophos
Asst. Sec. of Treasury
U. S. Treasury Department
Washington, DC 20220

Re: Your letter of August 7, 1991
addressed to Senator Kennedy

Dear Ms. Sophos:

The Chairman of the Board of Liberty Bank and Trust Company traveled to Washington, DC yesterday, September 24, and met with Mr. Leo Warring and his staff at the Treasury.

The meeting accomplished little because frankly they informed us their hands are tied.

As we wrote in our August 28, 1991 letter to you, this bank has handled its account accurately and professionally since May, 1987 in a flawless manner.

Our staff vehemently contends that we did report the deposit in question and that someone in Washington did not make the proper entry for transfer.

Mr. Warring's staff will not listen to this, they ask us to offer proof. We do offer 4 1/2 years of full proof that our bank's work has been flawless.

We offer the following compromise and solution:

1. We both, Liberty Bank and Treasury, accept a role in the incident as Treasury does not offer any type of proof that they did not err.
2. We compromise on the amount and each accept a settlement of 50%.
3. Treasury immediately withdraws the compensating balance from Liberty Bank and Trust Company.
4. Liberty Bank continues to service the account without the compensating balance until the debt is paid in full which is approximately 5 years.

Ms. Mary C. Sophos

-2-

September 25, 1991

We are willing to accept a settlement at this time without further consideration and not allowing it to become a matter of litigation.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. William Fitzgerald, Jr.', written in a cursive style.

T. William Fitzgerald, Jr.
President and C. E. O.

TWF/djb
cc: Sen. Kennedy
cc: Leo Warring

THE WHITE HOUSE
WASHINGTON

November 14, 1991

Dear John:

Thanks for your letter and for the information on your book, The Fall of the House of Hutton. I wish you success in this and your forthcoming work.

I will be happy to read your new book, but for obvious reasons, it would be inappropriate for me to write a review of it.

It was good to hear from you. Keep in touch.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff

Mr. John R. Feloni
First Vice President
Tucker Anthony Incorporated
One Beacon Street
Boston, Massachusetts 02108

Tucker Anthony Incorporated

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John R. Feloni
First Vice President

RECEIVED
NOV 12 1991

November 8, 1991

Dear Andy:

Enclosed is information on my book, The Fall of the House of Hutton. I am currently completing a book on management and would be honored if you would look at it prior to its release and, if you see fit, write a one or two sentence review of it.

Please respond.

Sincerely,

John
John R. Feloni

THE WALL STREET JOURNAL

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EASTERN EDITION

MONDAY, AUGUST 7, 1989

CHICOPEE, MASSACHUSETTS

What's News—

“Reads like a morality play, swashbuckler movie script and detective novel, all in one.”*

THE FALL OF THE HOUSE

Hutton

By **DONNA SAMMONS CARPENTER**
and **JOHN FELONI**

Whatever else he was, Robert M. Fomon was a man dedicated to E.F. Hutton. He envisioned the firm's lavish new world headquarters in Manhattan as a symbol of what the giant corporation had become under his leadership. Everything about the building, from its 45-foot marble columns to its floor-to-ceiling tinted glass walls, bespoke success. By 1987, the 29-story memorial to Fomon's own achievement was finished. Unfortunately, so was E.F. Hutton.

But Hutton did not fall victim to the stock market crash or the industry's drive toward consolidation. Rather, the story of E.F. Hutton is a reminder that human shortcomings, more often than market forces, determine the success or failure of a company. Now, in the riveting words of the insiders themselves, *The Fall of the House of Hutton* untangles a web of intrigue unlike anything Wall Street has experienced in recent years.

“A riveting, day-by-day chronicle of a corporate crackup that comes slap at you....The swindle and swagger should appeal even to those not terribly captivated by the annals of finance.... Apart from the scandal and intrigue, what makes the Hutton story so compelling are the authors' deftly drawn portraits of two men: Robert Fomon, the firm's CEO since 1970, and his successor, Robert Rittereiser.”
—*San Francisco Chronicle*

“A timely and captivating account of the abuses of trust and lack of accountability in corporate America. Indispensable....”
—T. Boone Pickens, Jr., Financier

“Choice reading....Those who advocate free-spirited entrepreneurial management in large organizations might have second thoughts when they read the Hutton story.” —*Chicago Tribune*

At all bookstores



HENRY HOLT AND COMPANY, INC.



THE FALL OF THE HOUSE OF HUTTON

DONNA SAMMONS CARPENTER & JOHN FELONI

The inside story of how human shortcomings and managerial hubris led to E. F. Hutton's demise.

Hutton's downfall began at a small bank in Batavia, New York, in 1981, when the term "kiting" was heard there for the first time. It ended two months after the 1987 stock market crash when Hutton was swallowed by Shearson Lehman Brothers. This extraordinary saga depicts a massive scheme of check-kiting — a scam to defraud large and small banks that almost gave Hutton interest free loans, and overdrafting; guilty pleas to 2,000 counts of mail and wire fraud; a string of hirings and firings; the rejection of Shearson's \$50 a share offer in 1986 — and acceptance a year later at \$29.95. Here are the key players — in particular CEO Robert Fomon and his successor, Robert Rittereiser — who shape the story. Told in the words of the insiders themselves, *The Fall of the House of Hutton* untangles a web of intrigue unlike anything Wall Street has seen in recent years.

"A riveting, day-by-day chronicle of a corporate crackup that comes slap at you." — *San Francisco Chronicle*

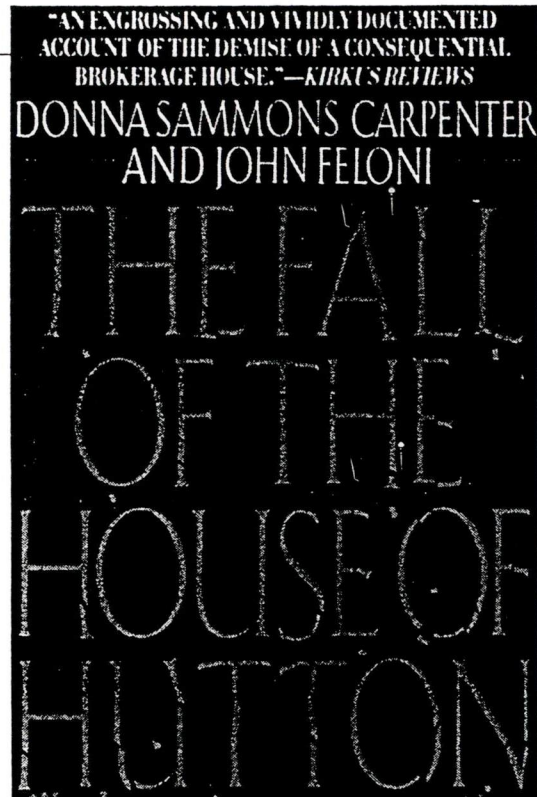
"Choice reading.... Those who advocate free-spirited entrepreneurial management in large organizations might have second thoughts when they read the Hutton story." — *Chicago Tribune*

Donna Sammons Carpenter, formerly a business journalist, is the author of several books, including *The Price Waterhouse Book of Personal Financial Planning*. John Feloni, a private investment counselor, was formerly a broker with E. F. Hutton.

• More than 30,000 hardcover copies sold.

Business
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National Marketing Campaign

- National Advertising in *Wall Street Journal*, *Village Voice Literary Supplement*, *San Francisco Examiner-Chronicle*, *New York Times Book Review*, *New York Review of Books*.



Best Seller List

BEST SELLER LIST

Weekling Ending Friday, July 7, 1989

HARDCOVER FICTION

	AUTHOR	PUBLISHER
1. THE RUSSIA HOUSE (1)	John Le Carre	Knopf
2. POLAR STAR (2)	Martin Cruz Smith	Random House
3. THE NEGOTIATOR (4)	Frederick Forsyth	Bantam Books
4. WHILE MY PRETTY ONE SLEEPS (3)	Mary Higgins Clark	Simon & Schuster
5. RIGHTFULLY MINE (9)	Doris Mortman	Bantam Books
6. THE JOY LUCK CLUB (11)	Amy Tan	Putnam
7. THE SATANIC VERSES (13)	Salman Rushdie	Viking
8. RED PHOENIX (5)	Larry Bond	Warner Books
9. GUEST OF HONOR (8)	Irving Wallace	Doubleday
10. MURDER AT THE KENNEDY CENTER (12)	Margaret Truman	Random House
11. THE TEMPLE OF MY FAMILIAR (10)	Alice Walker	H. B. J.
12. GARDEN OF LIES	Eileen Goudge	Viking
13. BICYCLE DAYS *	John Schwartz	Simon & Schuster
14. A PRAYER FOR OWEN HEANY	John Irving	Morrow
15. TALKING GOD	Tony Hillerman	Harper & Row

HARDCOVER NON-FICTION

	AUTHOR	PUBLISHER
1. A WOMAN NAMED JACKIE (2)	C. Davis Heymann	Lyle Stuart
2. IT'S ALWAYS SOMETHING (1)	Gilda Radner	Simon & Schuster
3. SUMMER OF '49 (4)	David Halberstam	Morrow
4. THE GOOD TIMES (3)	Russell Baker	Morrow
5. ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN (5)	Robert Fulghum	Villard Books
6. LEADERSHIP SECRETS OF ATTILA THE HUN (7)	Wess Roberts	Warner Books
7. A TOKEN OF FRIENDSHIP	Barbara Ohrbach	Crown
8. THE ANDY WARHOL DIARIES (6)	Pat Hackett, Ed.	Warner Books
9. THE FALL OF THE HOUSE OF HUTTON (8)	Donna Carpenter and James Feloni	Henry Holt
10. THE WAY THINGS WORK (13)	David Macaulay	Houghton Mifflin
11. ONE UP ON WALL STREET (10)	Peter Lynch	Simon & Schuster
12. FROM BEIRUT TO JERUSALEM *	Thomas Freidman	Farrar, Straus
13. PEACE, LOVE AND HEALING (15)	Bernie Seigel	Harper & Row
14. THE EIGHT-WEEK CHOLESTEROL CURE	Robert Kowalski	Harper & Row
15. FIRE AND FEAR (11)	Jose Torres	Warner Books

* First Appearance on the List
() Indicates Previous Week's Position on the List

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The New York Times

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NEW YORK, THURSDAY, JULY 20, 1989

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MEET

JOHN FELONI



John Feloni, co-author of **The Fall of the House of Hutton**, will be at Waldenbooks to sign copies of this incisive examination of the Wall Street firm's downfall.

Thursday • July 20 • 12:30-1:30 p.m.

57 Broadway at Rector St. • New York, NY

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WASHINGTON D.C. METROPOLITAN AREA

AUG 8 1989

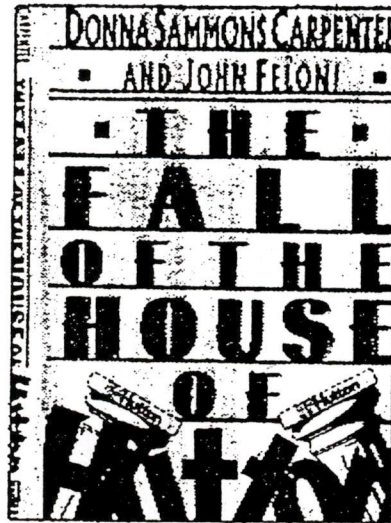
Hutton broker talks, scandal lovers listen

**Book is testimony
to greed, arrogance**

The Fall of the House of Hutton
By Donna Sammons Carpenter
and John Feloni
Henry Holt and Co.
322 pp., \$19.95

Here, in diary form, is the chronicle of E.F. Hutton's downfall from its pinnacle as a Wall Street powerhouse. It's a case history of the company's decline by a journalist and a former Hutton broker. And it's a revealing look at the role that leadership (or a lack of it) played in the decline.

Robert Fomon, Hutton's chief executive, is painted as a self-indulgent introvert whose loose and quixotic management helped bring the company down. Fomon recruited Robert Rittereiser from Merrill Lynch to revitalize Hutton after it pleaded guilty to 2,000 counts of mail and wire fraud for check kiting. Rittereiser emerges as well-meaning but limited



— a man whose vision and leadership were insufficient to elevate Hutton above its mess. On top of everything else, when Fomon abdicates as chief executive in Rittereiser's favor, he undermines Rittereiser.

There aren't any villains in this matter-of-fact analysis, but nor are there heroes. Peter Ueberroth, who

nationally has assumed something of the mantle of folk hero, is painted as a monumentally egotistical opportunist who managed to step away from the Hutton disaster with a \$500,000 bonus. The then-baseball commissioner and Hutton board member acted as Hutton's de facto chairman when the company was finally — inevitably — put up for auction. The authors lance yet another well-known Wall Street figure, Peter G. Peterson, the former Commerce secretary and founder of the Blackstone Group. He is shown at a crucial board meeting unwittingly voting on an issue that, as a mere adviser, he had no right to vote on. Peterson raised his hand absent-mindedly because he was concentrating on letter writing, not the business at hand.

Wall Street's lucky survivors are incredibly rich. But they're no better than anyone else. This book is testimony to their greed and arrogance. But unless you're fascinated by the subjects of Wall Street or leadership, it's pretty dry going.

— Michelle Osborn

PHOTO BY AP/WIDEWORLD

Book Review

October 29, 1989

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Books & Business

Damage Control Didn't Work

THE FALL OF THE HOUSE OF HUTTON

By Donna Sammons Carpenter and John Feloni.
322 pp. New York:
Henry Holt & Company. \$19.95.

SUDDEN DEATH

The Rise and Fall of E. F. Hutton.
By Mark Stevens.
298 pp. New York:
NAL Books/New American Library. \$19.95.

By Jeffrey E. Garten

AN unusual number of America's once great companies fell upon hard times in the 1980's. Deregulation, foreign competition, roller-coaster interest rates were some of the causes. But for the most part, the big problems were bad management and infighting within the companies themselves.

And so it was with E.F. Hutton & Company, which barely avoided liquidation before being bought and rescued by Shearson Lehman Brothers last year. "The Fall of the House of Hutton" and "Sudden Death" tell essentially the same tale. This venerable securities firm had an 85-year franchise as the most illustrious stockbroker to America's rich and famous. When E.F. Hutton talked to the gang in Palm Beach, Palm Springs, Southampton and Zermatt everybody was listening. The stock market crash of October 1987 dealt the company a death blow, but the hemorrhaging had begun years earlier when it pleaded guilty to 2,000 counts of mail and wire fraud in connection with illegal use of bank overdrafts. In fact, the scandal never seemed to end, caroming from Congressional investigations to lawsuits to endlessly bad publicity, and resulting in the steady defection of key employees and customers.

If you are looking for a story of villains and good guys, or of outsized greed, this isn't it. Rather the downfall of Hutton, as described in these two books, is a sad account of Wall Streeters unable to adjust to changing times. It is a portrait of people at the top of one of the country's most famous securities firms who were totally unequipped to overcome a major crisis, or even to recognize its full dimensions. At the center was Robert M. Foman, described in both books as an eccentric, heavy-drinking executive who ran the company as if it were his personal plaything. In the organization that he created, professional control and supervision was nonexistent. There was no real chief financial officer, no functioning audit committee, no operational oversight of the ways different busi-

Jeffrey E. Garten is a managing director of the Stamford Company, a New York investment bank.

nesses interacted. The board of directors was, until the final months, composed mostly of employees who merely rubber-stamped Mr. Foman's decisions. Backstabbing, bad decisions and indecision were rampant. Deep clashes occurred between the brokers in the field, who generated most of Hutton's revenues by selling stocks to rich people, and the white-shoe investment bankers, who wanted Hutton to focus on earning fees from advising clients on mergers and other big deals.

In "The Fall of the House of Hutton," Donna Sammons Carpenter, the author of "The Price Waterhouse Book of Personal Financial Planning," and John Feloni, a former Hutton broker, recount events mostly from 1982 on. Writing in diary form, they achieve the impact of a fast-moving, investigative documentary describing a company facing one emergency after another. Of the two books, this one gives the better feeling for life in the eye of the crisis, describing the dramas surrounding Hutton's top executives, its employees, its customers, its lawyers, Congress and the press.

"Sudden Death," on the other hand, takes a more historical view. Mark Stevens, a syndicated financial columnist, gives us a better appreciation of what Hutton really was like as an American institution: its deep roots on both coasts, its presence in New York's Plaza Hotel and other fancy resorts, its vast national network of highly paid salesmen. Mr. Stevens also does a better job of describing the pressures of Wall Street, including the relentless search among companies for deep capital bases and the tensions among the trading, investment-banking and brokerage cultures within the big companies.

BECAUSE so much of the material in both books comes from insiders speaking on and off the record, the picture that emerges is no doubt heavily influenced by interviewees intent on protecting their own reputations or impugning someone else's. For this reason, much of the petty dirt dished out about some of the principal characters must be taken as the gossip it is. A more objective view of Hutton's demise would probably require that a little more time elapse between the event and the interpretation of what really happened and why. It would also include a more thoughtful analysis of the kind of people and control systems required to manage large financial institutions at a time when dollars move around the world electronically and the very definition of money and financial risk is increasingly fuzzy.

A deeper treatment would also answer these questions: What difference does it make if the E.F. Huttons or the Merrill Lynchs collapse, anyway? Aside from the employees who are laid off, would customers, creditors or the nation's financial system be badly hurt? Neither of these books even touches on the bigger stakes. But until we know how close the Hutton demise was to becoming a widespread financial debacle, it's hard to know whether we are reading about just another corporate rise and fall, or whether all the drama was about something much more significant. □

**THE RISE & FALL
OF E.F. HUTTON**
**SUDDEN
DEATH**
MARK STEVENS

**DONNA SAMMONS CARPENTER
AND JOHN FELONI**

**THE
FALL
OF THE
HOUSE
OF
HUTTON**

NEW YORK POST
JULY 26, 1989

POST-MORTEM: Two new books on E.F. Hutton's demise were missing some key ingredients.

Hutton's downfall: hard act to swallow

**GERARD
BRAY**



THE "How'd this egg get scrambled" book has become such a reliable American tradition that virtually no substantial event is complete without at least one hard-cover autopsy report — often followed by the paperback, movie, book club, and miniseries increments on the promotional wheel of fortune.

The spectacular 1987 flameout of E.F. Hutton was easily substantial enough to be book-worthy. The attendant whiffs of big-time fraud, drunken tycoonery, peevish power brokerage, shattered careers, and millions of wasted dollars make this truly a story for our time and one that should be catnip to filmmakers.

Two new books probing Hutton's self-destruction await the amateur pathologist.

The Fall of the House of Hutton, by Donna Sammons Carpenter and John Feloni, was released July 18 by Henry Holt & Co. Due Aug. 23 from New American Library is SUDDEN DEATH: The Rise and Fall of E.F. Hutton, by Mark Stevens.

Carpenter is a former business journalist, Feloni a former Hutton broker. They take the shorter view: beginning with the December, 1981 inception of the check-kiting scheme which ended with Hutton pleading guilty to 2,000 federal felonies.

The approach here is fast-paced, the view perhaps too limited. This is the version to read if you want a page-turner about the most visible dying shudders of a mortally ill dinosaur.

To understand how the dinosaur got sick and why it couldn't recover, the better bet is Stevens book.

He begins at the beginning, taking us back to the founding of the firm and describing in detail how the corporate culture developed and how it produced Robert Fomon — the maximum leader who pushed Hutton to new heights and then, his own life increasingly tortured, pushed the firm he had struggled to build off the cliff.

Stevens work has the ring of truth, but an uncomfortably high number of scenes are described in considerable exactitude by narrators vaguely identified as, for instance, a former vice president.

And Stevens, a syndicated columnist and author of four previous books on business topics, or someone at New American Library, has the very bad habit of getting details wrong. Getting the details right is a major part of any good autopsy.

Among other things, Stevens consistently gets Drexel Burnham Lambert CEO Fred Joseph's name wrong; misidentifies the bank where the check-kiting was flagged; has Fomon preparing to fire a weapon out a window above a crowded urban area but alternately refers to the weapon as a rifle and a shotgun.

The paralysis, strangulation and interment of E.F. Hutton into Shearson is a native American drama, complete with real roles for the dowager princess — E.F. Hutton's actress daughter Dina Merrill — and the hard-eyed good guy who comes riding into town at the last minute and tries valiantly to straighten things out — former baseball commissioner Peter Ueberroth.

When E.F. Hutton broke, it scrambled up into a mighty big omelet. Both these books fail to reconstruct the whole recipe.

BOOKS

Account Blames Hutton's Fall On Greed, Pride, Arrogance

THE FALL OF THE HOUSE OF HUTTON,
by Donna Sammons Carpenter and John
Feloni. (Henry Holt and Co., 322 pages,
\$19.95.)

By Peter M. Gianotti

THE EPIGRAPH that begins *The Fall of the House of Hutton* is from Lee Iacocca. It goes: "In the end, your legacy is, did you know what the hell you were doing?"

Iacocca's comment obviously applies to the characters in the wrenching Hutton story. But sometimes you think it's meant for the book, too.

The Fall of the House of Hutton is the latest in what's bound to be an ongoing series about the finales of Wall Street houses. The details certainly change but the resulting volumes usually don't vary that much.

Donna Sammons Carpenter, a business writer, and John Feloni, formerly a broker with E.F. Hutton, chronologically go through the tale of the venerable firm's demise. They know the story but have problems moving it along.

The Fall of the House of Hutton is a choppy narrative, served up in chunks by date as if entries in a diary. Often, it's as dry as court papers. For the record, beneath each date is the closing price of Hutton stock at the time.

In 1985, the brokerage pleaded guilty to participating in a rather intricate scheme. It was basically a check-kiting affair in which 400 banks were defrauded of millions in interest charges. Total: 2,000 counts of mail and wire fraud.

By page 91, Carpenter and Feloni are referring to the slide as proceeding "like a Greek tragedy, played out over many scenes." You see most of them on a day-by-day basis. You're subtly informed, "The new Hutton headquarters still stands as a prominent symbol — but to the rewards of hubris, the consequences of pride, the achieve-



John Feloni

ments of greed, and the blindness of arrogance."

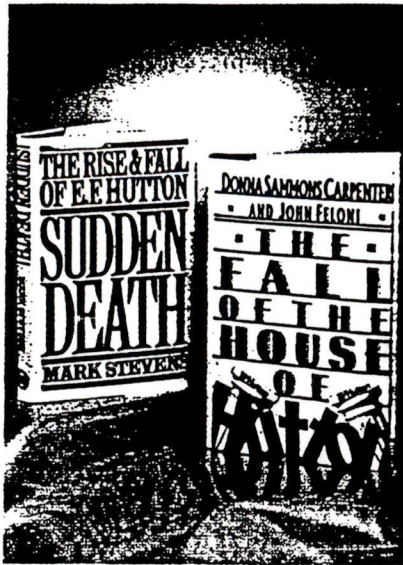
Central to the saga is Robert Fomon, the chief executive who steered Hutton during the catastrophe. The authors rightly liken the corporate headquarters to a 29-story memorial to Fomon's record. "Unfortunately, by the end of 1987 when . . . [it] was finished, so was the firm."

You get a portrait of Fomon that, among other things, notes he's "a man of genuine good taste." A paragraph later, you're told he bought a tiger skin in Vegas for his apartment wall. Other items you'll learn include the weather on certain days, the look of the Polo Club restaurant, and the fact that "Flushing Meadow Park . . . is a swamp turned oasis."

Hutton eventually was fined \$2 million and had to pay the banks what was due. The cash management scam that led to Hutton's farewell is interesting enough and the whole story has its share of drama. Even after the very public parade of red faces, the messiness continued.

The Fall of the House of Hutton covers all this. But, ironically, it's a book that seems written for those who already know the story.

Jook Leung



What went wrong at E.F. Hutton?

Two accounts agree on many answers but fail to ask some vital questions.

BY PERRIN H. LONG JR.

Sudden Death: The Rise and Fall of E.F. Hutton

By Mark Stevens
(NAL Books, New York; 298 pages; \$19.95)

The Fall of the House of Hutton

By Donna Sammons Carpenter and John Feloni
(Henry Holt and Co., New York; 310 pages; \$19.95)

In recounting and explaining the fall of E.F. Hutton & Co., both of these new books provide graphic insights into the eccentric management style of chairman Robert Fomon, capture the apparently never-ending political infighting at the firm and point out the absence of any well-defined organizational structure that could have achieved true cohesion among operating divisions. And both focus on the company's May 1985 guilty plea to 2,000 counts of mail and wire fraud as the point of no return for Hutton and Fomon. Both, furthermore, reach the same conclusion: that primary responsibility for the firm's demise rests squarely on Fomon's shoulders. But the authors differ markedly in the way they tell their stories and make their points.

In *Sudden Death: The Rise and Fall of E.F. Hutton*, Mark Stevens, a syndicated columnist and author of such books as *The Insiders* and *The Big Eight*, recreates the saga primarily by relying on interviews — relating who said what to whom going back a number of years. In their version, *The Fall of the House of Hutton*, Donna Sammons Carpenter, a former business journalist, and John Feloni, a former Hutton account executive in Boston, draw on internal documents Feloni seems to have had access to as a result of a suit filed against Hutton by a group of dismissed

employees. Carpenter and Feloni's approach is easier to follow and, since it is better documented, more convincing. One simply has to question, in Stevens' account, how the principal players in the Hutton fiasco can remember exactly what they said years ago.

Many questions are unanswered in both accounts. Admittedly, the guilty plea to a system of cash management that encouraged massive check-kiting — though only by a limited number of branch offices, it should be noted — was a black mark in the firm's long history. Nor is there any question that Hutton's descent picked up speed after that event. However, other companies have indulged in "sophisticated cash management" techniques without going out of business. Whether Hutton could have regained its previous glory and financial health after the revelations will be debated by former Hutton employees and the Street for years, but the authors of these books duck that examination.

Turning point

Other important matters are also unexplored. I would suggest, for example, that the seeds of Hutton's fall were sowed in 1977-1978, when management first undertook to be all things to all investors by deciding to become a significant player in the so-called capital markets segment of the industry. In 1976 Hutton was a highly profitable retail-oriented securities firm, with a pretax profit margin of 15.5 percent, never equaled thereafter. The move to become a full-fledged investment bank entailed greater risk, particularly in the area of trading, a risk Hutton found difficult to manage effectively in the mid-1980s. Trading losses were a key factor in the firm's worsening financial condition before its collapse.

George Ball's departure to join Prudential-Bache Securities in 1982 also

had a devastating impact on the company. Carpenter and Feloni suggest that he left in large measure because he suspected that he probably would never become the chairman of the Hutton Group. The authors leave the reader wondering why, if this was true, Ball did not make an all-out effort to win the support of the company's directors in ousting Fomon. Perhaps he simply didn't want to make waves, or perhaps he knew that he wouldn't win in the event of a showdown. Be that as it may, one cannot help but wonder further that if Fomon's management style after Ball left was so increasingly detrimental, why the directors did not mount an effort to replace Fomon. Granted, most members, since they were in-house directors, had Fomon to thank for their positions and compensation. Nevertheless, it would seem that part of the blame for the downfall of Hutton rests with directors who did not take their fiduciary responsibilities seriously.

Yes, Fomon was an eccentric, and both books offer plenty of examples. But so are many individuals who rise to the top in their organizations. More telling — and both accounts focus on this — is the fact that Fomon was a loner. The point is significant because the financial services industry is a people business, and companies in the industry need leaders at the top to whom people within the organization can relate. Hutton's employees could relate to Ball; few, if any, could relate to Fomon. Perhaps, then, the authors of these two books are right: Though difficult to quantify, the demise of E.F. Hutton did indeed begin on the day Robert Fomon became chairman and chief executive officer. ★

Perrin H. Long Jr., president of Perrin Long Inc. and an analyst specializing in the securities industry, worked at E.F. Hutton from 1971 to 1975.

Fall of House of Hutton led from executive suite

CHICAGO TRIBUNE 7/9/89

"The Fall of the House of Hutton" by Donna Sammons Carpenter and John Feloni. Henry Holt and Co., 322 pages, \$19.95

Review by Bill Barnhart, Tribune deputy financial editor

Power debilitates the mind. That's the lesson of the demise of E.F. Hutton Group as an independent financial services firm. This stark yet detailed account of the firm that no one listens to any more is choice reading for anyone who wants an insight into the conduct of top management in a large organization.

People at the pinnacle of companies who believe they no longer must answer to anyone frequently revert to shallow, even childish behavior that passes for colorful personality but really exposes deep-seated inadequacies. This is the portrait that journalist Carpenter and for Hutton broker Feloni paint of Robert M. Fomon, chief executive officer of Hutton during the 1970s and the first half of the 1980s.

Fomon was at the helm while Hutton engaged in a widespread check-kiting scheme. On May 2, 1985, the firm pleaded guilty to 2,000 federal counts of mail fraud and wire fraud. The tale of this scheme and its undoing by officials of a tiny bank in upstate New York reads like a whodunit and comprises the first half of the book. The second half is the story of Hutton's downfall and sale to Shearson Lehman Brothers, a unit of American Express Co., after the stock market crash of October, 1987.

No one blamed Fomon for the check-kiting scandal. Like many CEOs, he didn't know what was going on. One of the disappointments of the book is that it fails to provide an explanation of how Hutton's illicit cash management program was developed and implemented. Creating bank overdrafts to maximize interest income was an extreme example of cash management techniques banks themselves were marketing aggressively in the early 1980s.

(A major question in this episode was whether top officials of the U.S. Justice Department, including Attorneys General

Business books

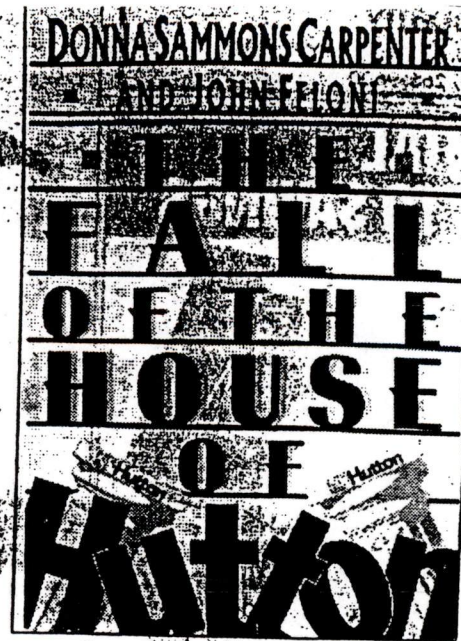
William French Smith and later Edwin Meese, interceded to block the indictment of individual officers at Hutton. Only the firm was charged. But the account by Carpenter and Feloni implies that the political influence theory may be off-base. Prosecutors believed convicting individuals would be difficult.)

On the other hand, the misfortunes of the firm in the wake of the check-kiting scandal largely were shaped by Fomon. Like many executives faced with a crisis, one of his first instincts was to hire high-priced PR advisers, such as Republican Party strategist Stuart Spencer, who are skilled at shaping perceptions but not at changing substance. There was no business strategy at Hutton.

That's not all. The firm under Fomon had no formalized management structure, no uniform compensation policies for top management and no control mechanisms at the upper levels of the firm. Those who advocate free-spirited entrepreneurial management in large organizations might have second thoughts when they read the Hutton story. Fomon's seat-of-the-pants style, which wasn't improved by his drinking and well publicized fondness for young women, may have made him an idol to some of the firm's brokers. But it ill-served the firm, not to mention its customers.

The issue is not simply ethics. Controls, checks and balances and systematic reviews are just as important in running an organization as charisma, creativity and leadership. Insiders at Hutton regarded the audit committee of the firm's board of directors as "something of a joke." Former U.S. Atty. Gen. Griffin Bell, hired by Hutton to investigate the check-kiting debacle, blamed the debacle on the firm's "loose management structure."

Fomon's hand-picked successor, Rob-



ert P. Rittereiser, formerly of Merrill Lynch & Co., was much more systematic and deliberate, but within the firm he never overcame his image as an outsider who lacked the decisiveness to pull Hutton out of its tailspin.

After several false starts, Hutton—finally absent Fomon—was sold to Shearson Lehman Brothers in December, 1987. By then, the firm was seen by many to be failing.

Carpenter and Feloni, who interviewed virtually all the key players in this drama, employ a sparse writing technique that avoids the editorializing that could come easily to this story. They sprinkle their account with just enough color to bring the Hutton story to life without deadening the drumbeat of events. For example, they tell how Fomon in the 1970s opened an apparel store in the firm's New York headquarters building. To encourage "proper" dress, Fomon had the store sell clothes to employees at cost.

"Having the store would prove handy years later. After its acquisition of Hutton, Shearson raided the store's inventory of tote bags—blue ones with the E.F. Hutton logo on the side. It handed them out—free—to Hutton employees it laid off, with instructions that they pack their belongings and clear out fast."

CHICAGO TRIBUNE 7/9/89

The Brokers Who Couldn't Play Straight

THE FALL OF THE HOUSE OF HUTTON

By Donna Sammons Carpenter and John Feloni
Henry Holt; 322 pages; \$19.95

REVIEWED BY J. PATRICK LEWIS

Business historians will one day note how unbridled greed, applauded and subsidized by Washington, very nearly became the national pastime of the 1980s. And they will no doubt cite as evidence the sorry saga of E.F. Hutton, a textbook case of bad management and corporate villainy.

Donna Sammons Carpenter, a business journalist, and John Feloni, a former Hutton broker, offer a riveting, day-by-day chronicle of a corporate crackup that comes slap at you, without nuance or irony. (They are not alone. Mark Stevens' "Sudden Death: The Rise and Fall of E.F. Hutton" covers the pathos and bathos with equal authority and insight. A third account, by New York Times reporter James Sterngold, will appear this fall.)

If this seems like much ado, there is a story here worth telling. "The Fall" reads like a morality play, swashbuckler B-movie script and detective novel, all in one. The swindle and swagger should appeal even to those not terribly captivated by the annals of finance.

It began in late 1981 at a small Bahaia, N.Y., bank that bounced three Hutton checks worth more than \$13 million. Officials there soon realized that the highly regarded brokerage house was involved in check kiting.

Carpenter and Feloni distill

the impurities from this complex flimflam. Hutton would write checks far in excess of its balance in one bank, deposit the checks in another and write a check on its inflated account in the second bank to buy short-term interest-bearing securities. It would then cover its overdraft at the first bank by writing more overdrafts on the second — *ad hoc, nauseam and absurdam*.

The Justice Department and Albert Murray, a bloodhound assistant U.S. attorney, pursued Hutton for four years before the firm pleaded guilty to 2,000 counts of mail and wire fraud — and got tweaked with a \$2 million fine. In a classic sham of equal justice under the law, no Hutton official was ever indicted. A dozen U.S. senators wanted to know, said one company insider, "why the attorney general [Edwin Meese] didn't hang everybody at Hutton by their toes." Congress began its own investigation.

Hutton's hopes for public forgetfulness quickly evaporated, and no amount of image building could change the company's fortunes.

The well of troubles seemed bottomless. The congressional probe turned ugly; Hutton got bilked in turn by a Texas sharper named George Aubin for \$48 million, more than the company's entire 1985 earnings; and federal prosecutors would soon recommend indictments against Hutton and one of its officers for laundering money for the mob.

Apart from the scandal and intrigue, what makes the Hutton story so compelling are the authors' deftly drawn portraits of



two men: Robert Fomon, the firm's CEO since 1970, and his successor, Robert Rittereiser. Not to mention the gaggle of executives, most of whom, by their own veiled admissions, kept their eye on the main chance.

Fomon led the company

through its glory years in the 1970s. But once the check-kiting scandal surfaced, the long knives were drawn, and Byzantine infighting spelled his doom.

Carpenter and Feloni are by turns impressed and perplexed at the company's rise to power. Hut-

ton, with 17,000 employees, never had an organizational chart; it seems to have been an enterprise that succeeded in spite of itself. As things fell apart, Fomon assumed the role of Captain Queeg, blind to his own failings, unaware of the foolish figure he cut. An outsized ego always game for a young woman, he was obsessed with building Hutton's new 29-story, pink-marble Manhattan headquarters, aptly dubbed "Fomon's last erection."

Rittereiser, who apparently became CEO on the Peter Principle, was there for the two-year scramble to unload the firm. By the end of this fiasco, nearly all of the authors' informants had taken turns vilifying the boss.

Shearson Lehman, the brokerage once willing to pay \$50 a share for Hutton, swallowed the company for \$29 a share in the post-October crash. Some 5,000 employees were curtly dismissed. If employees lost, and on this point the authors are not in doubt, the Hutton brass won. Each of the company's top men landed with lavish golden parachutes — million-dollar severance packages.

Though this unseemly bit of sharp practice cries out for old-fashioned muckraking, Carpenter and Feloni have the good sense to let the principals speak for themselves. And what they reveal was perhaps all too predictable from the beginning: the extraordinary hubris of men who become far too big for their breeches. ■

Economics professor J. Patrick Lewis' reviews have appeared in the Nation and the Progressive.

A Tragedy of Errors

The Fall of the House of Hutton.

By Donna Sammons Carpenter and John Feloni. 322 pages. Henry Holt. \$19.95.

Sudden Death: The Rise & Fall of E.F. Hutton.

By Mark Stevens. 298 pages.

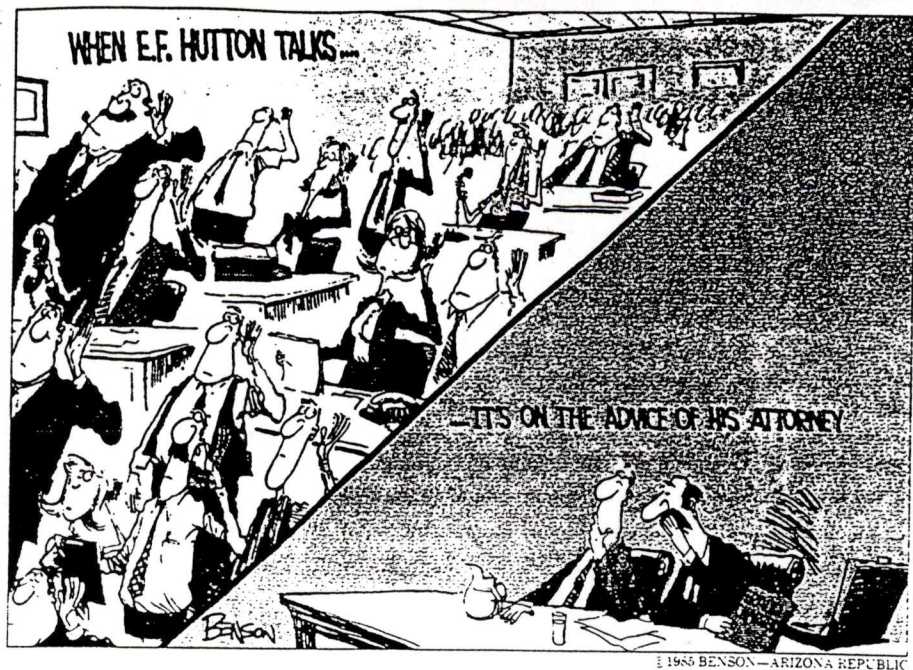
New American Library. \$19.95.

The prettiest tombstone in Manhattan doesn't have a name on it. It was going to be the E.F. Hutton building, a \$100 million midtown corporate palace. Its soaring, high-ceilinged lobby and sly art-deco touches were supposed to testify to the strength and august bearing of the 83-year-old financial-services giant. Hutton never got to put its name over the door. As the building was nearing completion at the end of 1987, Hutton itself had collapsed into scandal and disarray; it was finally sold to Shearson Lehman Brothers.

One man has caught much of the blame for Hutton's fall: former chairman and CEO Robert Fomon. He came to the top job at Hutton in 1970 as the darkest horse of three candidates, and quickly turned around the patrician, rather sleepy Hutton with his lightning-quick decisions. Fomon teamed up with charismatic George Ball, who as Hutton's president motivated the brokers into a workaholic frenzy. The two built the company from \$260 million in assets when Fomon took the helm to \$23 billion at its peak.

Things began to slip by the 1980s, as Fomon's freewheeling style no longer fit the industry. Firms like Goldman, Sachs and Morgan Stanley remade themselves, building on many fronts. But Hutton, with no long-range strategic planning, did not manage its forays into fields like mergers and acquisitions. The company became Fomon's fiefdom, with millions squandered on deep-pocket expense accounts and questionable practices by Fomon's cronies—called "untouchables" in-house. Clients fled, and when Ball left in 1982 to head Prudential-Bache, Hutton lost its drive. Then Fomon suffered a fall in his Park Avenue apartment in 1983, causing a painful compound leg fracture that virtually broke his spirit. The company was already circling the drain.

A scandal dealt the firm another blow. In a 1985 plea bargain, Hutton admitted guilt to a stunning 2,000 counts of fraud. The charges came down to various forms of "check kiting": Hutton wrote itself checks for millions of dollars and deposit-



ed them, drawing money from the accounts before the checks could clear. The overdrafts were like interest-free loans, which Hutton could then invest for short-term profit. No Hutton executive was indicted, but the company's good name, built up over fourscore years, was tainted. Hutton's directors deposed Fomon, replacing him with Robert Rittereiser, whom Fomon had hired away from the presidency of Merrill Lynch & Co.

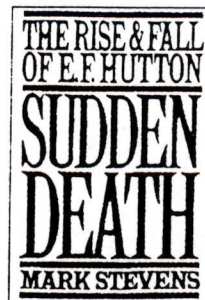
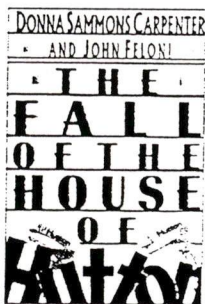
Rittereiser and his crowd were not only unable to arrest Hutton's slide, they greased the skids with ideas like the "Hutton Neighborhood Coloring Book." Distributed to all Hutton managers (with crayons), the book was intended to rally employees. On one page, a small house was shown shoehorned between mansions with the caption: "We're no longer the nicest house on the block. We're not even close. In fact, we're in big trouble." Text showing a moving van read: "If we don't fix our problem soon, someone could even take away our home. (Color this gloomy.)" After so many crises and blunders, the stock-market crash of October 1987 was almost an act of mercy, albeit fatal. Hutton had to auction itself off, finally selling out to Shearson for around \$1 billion.

"I do what I want": Two books have now appeared on the Hutton mess. Mark Stevens, author of "Sudden Death," is a financial writer. "The Fall of the House of Hutton" is a joint effort between writer Donna Sammons Carpenter and former Hutton

broker John Feloni. Neither book is especially well written. Of the two, Stevens makes for livelier reading. He sets the scene as the Greek tragedy of Bob Fomon, a hubristic figure whose fatal flaws were the same qualities that had propelled him to the top. Stevens salts in salacious details of Fomon's drinking and womanizing: when an old friend told Fomon that sitting in the 21 Club with his hand on a beautiful young escort's knee was "unbecoming of Hutton's CEO," Fomon barked, "Mind your own business. I do what I want to do." Carpenter and Feloni painstakingly track the check-kiting scandal, and lay a clear trail through the tangled Hutton story. While they show the greater accumulation of details, they don't necessarily pay the greatest attention to them. The book's second sentence refers to the firm's "pink marble world headquarters"; anyone strolling along 52nd Street would see that it's granite.

The printer's ink seems barely to have dried on either book. This gives both a sense of immediacy, but they lack the long view that more time might have allowed. Neither book goes much beyond the facts uncovered in the contemporary reporting, such as finding a link, if one exists, between the kiting scandal and top management. Yet both books serve a purpose: tying the unwieldy package of events together. The fall of Hutton was a gold mine for the financial media, which covered the story extremely well—even obsessively. Until we can all rummage through newspaper archives from our computers at home, books like these will have to do.

JOHN SCHWARTZ



BOOKS & IDEAS

BY IRWIN ROSS

INSIDE THE HUTTON DEBACLE

Two new volumes tell the morbidly fascinating tale of a giant Wall Street firm's collapse—with CEO Robert Fomon in the starring role.

■ The abrupt death of a once great institution is always absorbing—and often far more fascinating than any chronicle of its past triumphs. The brokerage house that for 83 years was known as E.F. Hutton & Co. can perhaps not be called great, but it had long been one of Wall Street's goliaths, with annual revenues of nearly \$3 billion and 18,000 employees in 400 offices around the U.S. Its ubiquitous television slogan—"When E.F. Hutton talks, people listen"—made it a household name. Thus its sudden extinction two months after the 1987 stock market crash came as a shock. For \$960 million, Shearson Lehman bought out Hutton's shareholders and merged the company into its own operations. In a twinkling all that remained of Hutton's identity was a name appended to Shearson Lehman's.

What had gone wrong? Some 18 months later, we have two books that attempt to explain: *The Fall of the House of Hutton*, by Donna Sammons Carpenter and John Feloni (Henry Holt & Co., \$19.95) and *Sudden Death: The Rise and Fall of E.F. Hutton*, by Mark Stevens (New American Library, \$19.95). Neither can be called a literary gem, and the Stevens book is as hyped and larded with clichés as a tabloid gossip column, but these stylistic delinquencies do not overwhelm the extraordinary story that the books chronicle. Both volumes inevitably cover the same ground, but *Sudden Death* gives a fuller account of Hutton's history and of the life and foibles of Robert Fomon, the man responsible for its greatest growth and its precipitous collapse. By contrast *The Fall of the House of Hutton* concentrates on the company's final years, sometimes swamping the reader with excessive detail.

Fomon is the central figure in both books. He is an outsize, eccentric character, handsome,

IRWIN ROSS, a longtime FORTUNE contributor, is writing a book on corporate crime.

dapper, the sort who always looks as if he is about to pose for one of those old man-of-distinction ads. The authors present him as a snob, a social climber, a man of great charm with important clients and with the ladies (married three times) who betrayed a volatile and irascible temperament around the office. He was apt to praise underlings in private but humiliate them with capricious criticism in public—apparently to leave no doubt as to who was boss. He could also be alarmingly unpredictable. On one occasion he had to be physically restrained from trying out a new bird gun by taking potshots at Battery Park from his office window.

He fancied himself a gourmet, knew his way around a French wine list, consumed spirits prodigiously. We are treated to a couple of dramatic scenes of Fomon in his cups, including one in which he fell off his bed and suffered multiple fractures; he was in the hospital for six weeks. When ambulatory he usually paraded around town with one or another pretty young woman, sometimes one-third his age. According to *Sudden Death*, a colleague once told Fomon that he shouldn't sit in "21" with his hand on the knee of his nubile date; it wasn't befitting the CEO of E.F. Hutton. "Mind your

Sudden Death author Stevens: clichés and an extraordinary story



THE RISE & FALL
OF E.F. HUTTON
SUDDEN
DEATH
MARK STEVENS

EXCERPT: "I wrestled the gun from him and removed the shells. If I hadn't stopped him, he would have blasted right into the park. That police were all over the place—none of that bothered Bob Fomon."

DONNA SAMMONS CARPENTER
AND JOHN FELONI

THE
FALL
OF THE
HOUSE
OF
HUTTON

EXCERPT: "The time has come," Ritter-eiser said, "for you to step down as CEO." Now Fomon was stunned. Would Ritter-eiser mind if he stayed on as chairman? Fomon finally asked. He wouldn't.

own business," said Fomon. "I do what I want to do."

This free spirit became Hutton's CEO in 1970 and at first was highly regarded. If he was arrogant, he was also crisply decisive. He led the move to take Hutton public in 1972, immensely strengthening its capital position, and he aggressively expanded the firm by buying local and regional brokerages. Long known as broker to the carriage trade, Hutton kept this upper-crust business while also making itself a broker for the masses. But Fomon was assuredly the firm's underlying problem as well. He was an erratic manager, little concerned with controls, clear accountability, or management information systems, but eager to retain as much power as possible. The result was that a multitude of top executives reported directly to him, which meant that most of them operated without supervision, subject only to Fomon's intermittent interven-

tion when seized with some inspiration. The best-run part of the operation was its core business—its far-flung network of retail branches, managed for years by the capable George Ball, a younger man generally viewed as Fomon's successor. But Fomon's retirement seemed distant, and in 1982 Ball resigned to become CEO of rival Prudential-Bache. It was a blow from which Hutton never recovered.

Hutton was not properly positioned for the Eighties. In an era when institutional trading became supremely important, Hutton remained overwhelmingly dependent on individual customers. It never built up its underwriting business or mergers and acquisitions activity to rival the leaders in the field. It primarily remained a wire house, paying its brokers the industry's most generous commissions—a continual drain that it sought to rectify only in its final months. Meantime, Fomon ran Hutton in the lushest way possible, with generous expense accounts, a string of company apartments at expensive Manhattan locations, a corporate jet.

Toppling the edifice didn't take many blows. The first major one was completely unexpected: the U.S. Justice Department's celebrated discovery that Hutton had been engaged in a massive scheme of check-kiting and overdrafting. In 1985 the company pled guilty to 2,000 counts of wire and mail fraud and agreed to pay a fine of \$2 million and to reimburse the banks.

ONCE THE CASE broke, the publicity was devastating and unrelenting, going on for months and resulting in a continuing loss of business, in underwriting as well as in retail trade. A congressional committee held several hearings, looking especially into the question of why no individuals had been charged. Fomon denied any knowledge of what had gone on. Anyone who knew how he ran the organization would not have disputed him. Assuming that no one high up plotted the scam, the company clearly lacked the financial controls to pre-

REPORTER ASSOCIATE *Jacob Park*



Fall of the House of Hutton authors Carpenter (left) and Feloni

vent or detect it, and therein lay top management's palpable guilt. In an ideal world, Fomon would have resigned.

A high order of managerial incompetence also accounted for two other major losses in 1985 and 1986. In Houston, a hot-shot customer bilked Hutton of \$48 million through a complex check-kiting scheme involving multiple brokerage accounts. Then the customer tried to make good by trading his debt for two Texas S&Ls. Hutton took them, only to see the banks collapse in short order.

Then there was the sad matter of the "upper floaters"—tax-exempt industrial revenue bonds Hutton peddled in the early Eighties with the imprudent promise to buy in the bonds at par—where they were supposed to trade, since their interest rates varied with rates on Treasury paper. The bonds fell anyway, and Hutton found itself taking a \$55 million hit in 1986 because of its promotional excesses. For that year Hutton reported its first loss ever.

IN 1985, FOMON hired Robert Rittreiser, a star at Merrill Lynch, to be his second in command. Rittreiser's mission was to lure talent and rationalize the company's chaotic management, but Fomon was jealous of his prerogatives and kept undercutting him. Their private feuding ultimately erupted before the board and finally

resulted in Rittreiser's replacing Fomon as CEO in 1986. Fomon stayed on as chairman but became so obstreperous that the board finally asked him to move his office to another building. Within months he resigned.

Rittreiser brought in a lot of high-priced talent, but nothing he tried seemed to work. He and Fomon made intermittent efforts to sell the company. Shearson Lehman offered \$50 a share in 1986, but the board held out for \$55 and set a short deadline for decision. The deal collapsed.

In the early fall of 1987, Hutton's situation turned critical. The October 19 crash reduced Hutton's assets. Then came word that Standard & Poor's was considering downgrading the firm's commercial paper. Hutton needed to borrow \$2 million a day for working capital and had to roll over its accumulated debt every 30 days. Going from a rating of A2 to A3 would have made that borrowing more expensive and left the firm's paper just a notch away from losing investment-grade status. A merger was now a desperate necessity. Shearson Lehman was the only house seriously interested. After strenuous bargaining the parties agreed to \$29.25 a share. Hutton's stockholders screamed, aware they could have had \$50 a year before.

EMployees, thousands of whom lost their jobs, and shareholders took the biggest hits. Top executives under contract were paid off handsomely. Rittreiser was guaranteed \$1.2 million for the following year. Fomon already had a retirement settlement that could amount to \$10 million or more. Even Hutton's board members were handed bonuses, receiving ten times their normal annual compensation—\$420,000 in two cases.

Both books ably chronicle Hutton's suspenseful last weeks, but don't linger to draw any moral. Perhaps there is no need. Hutton's death did not exemplify what Schumpeter called the "creative destruction" of capitalism—just managerial ineptitude. In the end a reader is sad only for the employees who had trouble finding new jobs. **E**

THE WHITE HOUSE
WASHINGTON

November 7, 1991

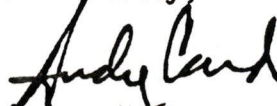
Dear Mrs. Feldman:

Thank you for your recent letter concerning your daughter, Elise Feldman.

I appreciate your enthusiasm and I will forward your letter to our staff in the Office of Presidential Personnel to see where her talents may be utilized. They will be in contact with you directly following their review.

Again, thank you for your letter.

Sincerely,



Andrew H. Card
Assistant to the President
and Deputy Chief of Staff

Mrs. Robert Feldman
74 Rita Road
Braintree, Massachusetts 02184



U.S. Department of Justice

Office of Attorney Personnel Management

Washington, D.C. 20530

November 7, 1991

Ms. Elise S. Feldman
43 Lake Shore Ct., #3
Brighton, MA 02135

Dear Ms. Feldman:

Your interest in employment with the Department of Justice is greatly appreciated. Unfortunately, we cannot make you an offer of employment under the Attorney General's Honor Program.

The Department recognizes the legal talent reflected in your application. However, it is the nature of a competitive program such as this one that many fine applicants cannot be accepted.

Sincerely,

A handwritten signature in cursive script that reads "Paula S. Vickers".

Paula S. Vickers
Associate Director
Office of Attorney Personnel Management

74 Rita Road
Braintree, Mass. 02184

Mr. Andrew Card
Deputy Chief of Staff
The White House
Washington, D.C. 20500

AC HAS SEEN

RECEIVED

OCT 24 1991

October 12, 1991

*Original sent
to Connie
Horne's
Office.*

Dear Mr. Card:

My husband, Dr. Robert G. Feldman, and I are long time residents of Braintree, Rita Road off Walnut Street at West Street for thirty years. I met you several times years ago when I was active in the Community. I was one of the founders of the League of Women Voters in Braintree where I chaired several portfolios on land use and on education. I have also been a long time Republican and was always delighted with your success in our district.

I am writing this letter in follow up of my telephone call to your office and upon the suggestion of your assistant, Ms. Casey, concerning my daughter, Elise S. Feldman.

Elise is a very intelligent, serious, hardworking Harvard University (Cum Laude) graduate, who is in her last year at Boston College Law School. She wants to work in the public sector; and, as her resume shows, she has a strong interest in the environment. Elise has applied to the Honors Program of the Department of Justice, Environmental Division seeking to be considered for a position there for next year. Public sector jobs are more competitive than they have been because of the economy and cut backs in hiring at private law firms in the East. We want to help Elise in her sincere quest for her public service career choice in law and are, therefore, asking assistance.

If there is any way you can help her or advise us whom she can contact who might help her, my husband and I as well as Elise will be grateful. Thank you for considering // this request.

Sincerely,

Gail P. Feldman

Gail P. Feldman (Mrs. Robert)

Yes LM
10/1

835-7518
Mr. Kanter's ofc.

PETER W. FARNSWORTH
16 WEST ROAD
NEW CANAAN, CT 06840
(203) 966-8258
Office: 212-692-8650

Andy by Boyden's
drop by
office to meet
Mr. Farnsworth
Also wants Andy to
introduce him
to JHS

September 22, 1991

11:00
~~10/7/91~~
10/23/91

Mr. C. Boyden Gray, Esq.
Counsel to The President
The White House
Washington, D.C. 20500

Dear Mr. Gray,

Bernie suggested I could write to outline a situation with respect to a particular position for which I'm being considered within Treasury, and to ask for your help. I got to know Bernie while developing the relationship with Summit for The Chase Manhattan Bank in the late seventies, and we hit it off well, finding we had mutual friends and interests. After being promoted to Hong Kong, we lost touch until I called him the other day.

The position is the Deputy Assistant Secretary - Corporate Finance at the Treasury Department, previously held by J. French Hill. French has gone over to work for Ede Holiday as Executive Director of the Economic Policy Council. I'm told by Senators Kasten and Dodd that John Robson says I am definitely coming down for an interview, but no date is set yet.

Since January, I have come down to Washington to meet various people in the Administration, at some of the agencies, and others just for advice. In that effort, I had the chance to sit down with Roger Porter, Michael Boskin, Ede Holiday, Olin Wethington, Al Hubbard, Monie Ryder and others in The White House. At Treasury I've had the opportunity to meet John Robson, Hollis McGlaughlin, Jay Powell, French Hill, Jeff Buzzell, Debbie Miller Witchey and others over time. I note those names just to demonstrate the seriousness of purpose I've shown in my effort to be of service.

I'd like very much to meet you, and to see if there could be another reference point added to those of others on the desk of Connie Horner and Monie Ryder in the Office of Presidential Personnel at this critical time. In addition, any advice you could shed on the process would be greatly appreciated.

Please have an assistant call me at my office (212-692-8650) at any time to arrange a visit.

cc: B. Gray

Sincerely,

Peter W. Farnsworth

PETER W. FARNSWORTH

16 West Road New Canaan, CT 06840

Office: (212) 692-8650

Home: (203) 966-8258

EXECUTIVE SUMMARY

Senior Investment Banking executive with more than 15 years of financial services experience. Significant expertise in Management, New Business Development, Marketing, Financial Transactions, and Relationship Selling. Key advisor to senior management in the recommendation and implementation of strategies to improve profits and return on investment. Excellent analytical and conceptual abilities.

PROFESSIONAL BACKGROUND

KIDDER, PEABODY & CO.

NEW YORK, NY

1987 - 1991

Senior Vice President - Investment Banking

Manager of Short-Term Finance Department (commercial paper and brokered CD's) with the mandate to establish a totally new revenue stream, leveraging existing resources and aggressively winning business from new and existing clients.

Achievements:

- Established department and generated \$17 million in revenues.
- Developed over 50 new marketing pieces; successfully coordinated and delivered several hundred marketing presentations.
- Led a team of three officers and staff, which executed 60,000 transactions among 15,000 investors through a salesforce of 1,200 brokers.
- Conceived and designed three software programs which resulted in increased numbers of transactions using fewer staff.
- Developed excellent relationships with over 60 new clients.

FIRST BOSTON CORPORATION

NEW YORK, NY

1984 - 1987

Vice President • Capital Markets Group

- Aggressively marketed, in US, Canada and Japan all capital markets products with special emphasis on new products: swaps, caps, commercial paper, medium term notes, and others.
- Generated 35 entirely new large clients.
- Developed CP programs with the Government of Canada and every Canadian Provincial issuer.
- Developed the largest asset-backed CP program for Citicorp, among five others.

CHASE MANHATTAN BANK	HONG KONG; NEW YORK	1973 - 1984
Vice President General Manager - Head, Corporate Bank - Hong Kong		1981 - 1984
Member, Management Committee Member, Credit Committee Member, Systems Planning Committee		
Vice President - Corporate Bank Media Companies, New York		1978 - 1981
Vice President - Corporate Bank Conglomerates, New York		1975 - 1978
Associate - Corporate Bank, New York		1973 - 1975

EDUCATION

MBA, Columbia University, Finance, 1973
BA, Colgate University, Sociology, 1971
Credit Training - Chase Manhattan, 1974
Advanced Management Training - General Electric Institute, 1990

AFFILIATIONS

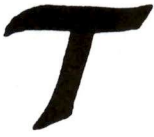
Former Chairman, Amcham Banking Committee, Hong Kong
Fishers Island Country Club
New Canaan Field Club
1989 New Canaan YMCA Volunteer Award

PERSONAL

Married, 4 children

INTERESTS

Golf, Tennis, Skiing, PC's



SECULAR FRANCISCAN ORDER
PROVINCE OF THE IMMACULATE CONCEPTION

+ PAX ET BONUM +

Provincial Minister SFO
John L. Finneran
121 Waverly Road
North Andover, MA 01845
(508) 682-1439

Provincial Vice-Minister
John Deasy
102 Winnisimet Street
Chelsea, MA 02150
(617) 889-1166

Provincial Secretary
Salvatore Carbone
4 Mark Vincent Drive
Poughkeepsie, NY 12603
(914) 485-9765

Provincial Treasurer
Ann Ricchio
39 Willow Street
Belmont, MA 02178
(617) 489-3433

Provincial Spiritual Assistant
Fr. Claude Scrima OFM
475 River Road
W. Andover, MA 01810
(508) 851-3391

September 11, 1991

Dear Mr. Card,

I am writing to ask a favor if it is possible. I have a nephew who is active in the Republican party in Manchester by the Sea, Mass. He would like very much to get a picture of the President and so he asked me if I would write. The reason he asked me is that I was at Phillips Academy at the same time as the President. He does not know me but people think because we were in school together, we should know each other. I have written to him at different times because as a Biologist and a college professor and now retired, I have offered to help in either the Education or Environmental fields. What I wanted to ask was this. Rob is getting married and I was wondering if it would be possible to get a picture signed to Rob and Joanne. If this is not, I will understand. I will be glad to forward the cost of the picture to you and appreciate your efforts whether or not it could be done.

HOFF

Sincerely,

John L. Finneran
121 Waverly Rd.
North Andover, Mass. 01845

THE WHITE HOUSE
WASHINGTON

Ms. Ida Ely Rubin
The Americas Foundation
680 Park Avenue
New York, New York 10021

THE WHITE HOUSE

October 3, 1991

Dear Friends of the Americas Foundation:

I am sorry that I will not be able to join you in New York on October 7th. Luis A. Ferre is most deserving of your 1991 Americas Award.

Don Luis is remarkable! He has inspired Kings, Presidents, Popes and a whole People. His contributions are immeasurable and will last generations.

I am honored to count Don Luis as a friend. He is a true renaissance man.

Sincerely,



Debbie,

Please type this letter (and correct the spelling of renaissance) and mail it to

Ida Ely Rubin
The Americas Foundation
680 Park Avenue
New York, New York 10021

*It needs to go out soon, so get Andy
to sign quickly. THANKS*

**Document Originally
Attached to
Following Page**

October 1, 1991

THE WHITE HOUSE

Dear Friends of the Americas Foundation:

I am sorry that I will not be able to join you in New York on October 7th. Luis A. Ferrer is most deserving of your 1991 Americas Award.

Don Luis is remarkable! He has inspired Kings, Presidents, Popes and a whole People. His contributions are immeasurable and will last generations.

I am honored to count Don Luis as a friend. He is a true renaissance man.

Sincerely, Andy Card

THE BOARD OF DIRECTORS
AND OFFICERS

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John Q. Deaver
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*The Americas Foundation is a non-profit,
tax-exempt membership corporation
organized the twelfth of October 1942 and
chartered under the laws of the State of New
York. It seeks to promote an ever-expanding
community of interest and mutual respect
among the diverse peoples of the New World
and welcomes the support and contributions
of all who embrace its objectives.*

THE AMERICAS AWARD
RECIPIENTS

1944 - 1990

Juan T. Trippe	David Rockefeller
Nicholas Murray Butler	George W. Moore
Sumner Welles	Roberto de Oliveira Campos
George S. Messersmith	Pedro G. Beltran
Herbert Hoover	Eugenio Mendoza
Tom Wallace	George Harrar
Alberto Gainza Paz	Julio de Mesquita
Harvey Wiley Corbett	Jack Howard
Madeleine Carroll	Argentina S. Hills
Helen Keller	Harding L. Lawrence
Fred Aden	Berent Friele
Galo Plaza	Miguel Aleman
James G. Stahlman	J. Peter Grace
Spruille Braden	Alberto Lleras Camargo
Pedro Eugenio Aramburu	Rafael Alfonso Ravard
John S. Knight	Mario Henrique Simonsen
Jose I. Rivero	Sol M. Linowitz
Ricardo Castro Beeche	Violeta Barrios de Chamorro
Edward Larocque Tinker	Roberto Marinho
James S. Copley	Norman E. Borlaug
Alberto A. Giesecke	German Arciniegas
Romulo O'Farrill	Oliver F. Clarke
Ellis O. Briggs	
William B. Walsh	
Jose A. Mora	

THE AMERICAS FOUNDATION

THE AMERICAS AWARD

1991

To REMIND
RECEIVED

SEP 10 1991

The Americas Foundation

*cordially invites you to attend
its presentation of the*

1991 AMERICAS AWARD

to

LUIS A. FERRÉ

on

Monday, October 7, 1991

Union Club

101 East 69th Street

New York City

Reception at 12:30 o'clock

Award ceremony and Luncheon at 1 o'clock

R.S.V.P.

*By September 20
(Card enclosed)*

*sent
9/10*

The Americas Foundation

*Tiene el gusto de invitarle
a la entrega del premio*

1991 AMERICAS AWARD

a

LUIS A. FERRÉ

*La ceremonia tendrá lugar
el día 7 de Octubre de 1991*

en el

Union Club

101 East 69th Street

New York City

La recepción será a las 12:30

*La ceremonia de entrega del premio y
el almuerzo será a la 1 de la tarde*

R.S.V.P.

*A más tardar el 20 de Septiembre
(tarjeta adjunta)*

RECEIVED

SEP 16 1991

The Americas Foundation

*cordialmente convida para a cerimônia
de entrega do prêmio*

1991 AMERICAS AWARD

a

LUIS A. FERRÉ

*a realizar-se na segunda-feira,
dia 7 de outubro, 1991*

Union Club

101 East 69th Street

New York City

Recepção: 12:30 horas

*Cerimônia de entrega de premio
e almoço: 13 horas*

R.S.V.P.

*Até 20 de setembro
(cartão anexo)*

HOGAN & HARTSON

COLUMBIA SQUARE
555 THIRTEENTH STREET, N.W.
WASHINGTON, DC 20004-1100
202/637-5600

RECEIVED
SEP 30 1991

MEMO

DATE: 9/19/91

TO: Andy Card Clayton Yeutter
Bob Teeter

FROM: Frank Fahrenkopf

- For your information
- As you requested
- For your review & comment
- For your files
-

COMMISSION ON
PRESIDENTIAL DEBATES



601 Thirteenth St., NW · Suite 310 South · Washington, DC 20005 · (202) 872-1020

September 10, 1991

Mr. Marvin Kalb
Director
Joan Shorenstein Barone Center
on the Press, Politics and Public Policy
Kennedy School of Government
Harvard University
Cambridge, Massachusetts 02138

Dear Mr. Kalb:

As much as we applaud the Joan Shorenstein Barone Center's efforts to make the nation's political process more substantive, as Co-chairmen of the Commission on Presidential Debates we believe it is necessary to correct some misimpressions, outright errors and omissions in the Center's recent report, "Nine Sundays: A Proposal for Better Presidential Campaign Coverage."

The most glaring and serious error, regarding the allegation that Bush campaign official James Baker "called the control room to remind the executive producer [Edward Fouhy] that it was time to shift from domestic to foreign affairs..." is totally wrong. Baker did not call Fouhy, nor did Fouhy relay any order to shift issues to the moderator (Jim Lehrer). In fact, this false charge, which was first brought by the League of Women Voters, was renounced by Mr. Lehrer in a letter to the Washington Post and by Mr. Fouhy at the Center's own post-election session in December, 1989 which you moderated. Surely it would have been more responsible to the truth and to the integrity of the Center's proposal if this important error had been corrected before the proposal was distributed.

Two other errors could easily have been corrected had the author taken the time to check with the Commission. Contrary to Mr. Ellis' assertion, the "political parties" had absolutely nothing to do with the selection of journalists who served on the debate panels. A simple review of the agreement reached by the Dukakis-Bush debate negotiators would reveal how the process was determined. Finally, the audiences at all three debates were not "divided equally between Republicans and Democrats." In fact, the hosts of these events had a significant number of tickets to be distributed to the public and host organizations.

Co-chairmen

Frank J. Fahrenkopf, Jr.
Former Republican
National Committee Chairman
Paul G. Kirk, Jr.
Former Democratic
National Committee Chairman

Honorary Co-chairmen

Gerald R. Ford
Jimmy Carter

Executive Director

Ianet H. Brown

Directors

John C. Cujver
Pamela Harriman
Vernon E. Jordan, Jr.
Richard Moe

David Norcross
Kay Orr
Representative Barbara Vucanovich
Governor Pete Wilson

No one will argue that the 1988 debate format was ideal. We agree with Mr. Ellis as to the success of the Canadian style debate. In fact, following the 1988 campaign, we held our own Symposium on format and stressed our hope that future debates could more closely follow the Canadian example. But to take a few isolated negative quotes about the 1988 debates and suggest that they constitute a consensus falls short of the ideals of media fairness set by the Joan Shorenstein Barone Center. In fact, there were many instances where the 1988 debates were praised. The Wall Street Journal editorialized that "the 'no-issues campaign' issue is dead; by the time the debate finished, voters knew they had a clear-cut choice." The Baltimore Sun proclaimed that: "The nation saw the best presidential debate in history last night. Any voter who henceforth complains that there are no issues in this campaign should be sent into a quiet corner to read the text or look at the reruns of the 90-minute exchange between Vice President Bush and Gov. Michael S. Dukakis." And David Broder wrote in the Washington Post, "Ask almost any voter what part of the campaign he found useful, and the answer is likely to be the debates. . . I know of no one watching who did not gain insights from each of the encounters, no matter how much or how little exposure they'd previously had to the candidates." Broder went on to commend the Commission for its debate arrangements and urged its continued sponsorship.

While academic and political observers may criticize various past formats, clearly the American public has learned pertinent information from them. A record number of Americans -- approximately 160 million -- watched the 1988 debates. More voters said they based their final decisions on debates than on any other factor; an ABC exit poll of 20,000 people who voted showed that 37% cited the debates as "very important" in deciding how to cast their ballots.

For whatever reason, the Center neglected some key institutional history regarding debate sponsorship, including the conclusive findings of the Commission on National Elections sponsored by Georgetown University's Center for Strategic and International Studies. This report led to the creation of a non-partisan Commission to sponsor presidential and vice presidential debates. An almost identical recommendation for such a Commission was made by a panel convened at Harvard's Institute of Politics in 1986 under the chairmanship of Newton Minow. While we find it curious that the proposal fails to even mention the Commission in its discussion of debates, we believe that the credibility of the proposal is greatly lessened

by the omission of any reference whatsoever to past forums and reports on sponsorship.

Finally, one observation: you and Mr. Ellis repeatedly cite the economic fragility of network news operations as the reason for the urgency of the "Nine Sundays" proposal. We do not disagree that the "Nine Sundays" concept is interesting and its consideration worthy of study. We must, however, interject a little political reality into the matter. United States taxpayers are now putting up more than \$200 million to fund the 1992 campaign for the presidency. Why should this heavily subsidized campaign have as one of its chief features a schedule which is designed to provide relief to the networks from the costs of covering it? What about the print media? Would they get a share of the advertising revenue proposed by the Center?

The fact is that the 1992 campaign will have debates. The time and place and format of these debates will be the subject of intense negotiation by the nominees. In 1992, however, unlike previous years, the Commission will provide the negotiators with an institutional history and permanent sponsorship structure.

The Commission on Presidential Debates will continue to seek out the best possible schedule and format to meet its stated mission of promoting the value of debates and the educational information which they impart. We strongly believe that we are in a much better position to work with the campaigns on improved format and other issues. And we look forward to working with other responsible organizations to attain that end.

Sincerely,

Paul G. Kirk, Jr.

Frank J. Fahrenkopf, Jr.

cc: Board of Directors,
Commission on Presidential Debates

HOGAN & HARTSON

COLUMBIA SQUARE

555 THIRTEENTH STREET, N.W.
WASHINGTON, DC 20004-1109

202/637-5600

RECEIVED

SEP 25 1991

MEMO

DATE: 9/24/91

TO: Andy Card, Bob Teeter
Clayton Yeutter

FROM: Frank Fahrenkopf

- For your information
- As you requested
- For your review & comment
- For your files
-

HARVARD UNIVERSITY
JOHN F. KENNEDY SCHOOL OF GOVERNMENT
IOAN SHORENSTEIN BARONE CENTER ON THE
PRESS, POLITICS AND PUBLIC POLICY

MARVIN KACH
DIRECTOR
EDWARD R. MURROW PROFESSOR
OF PRESS AND PUBLIC POLICY



79 JOHN F. KENNEDY STREET
CAMBRIDGE, MASSACHUSETTS 02138
617/495-8269

September 14, 1991

Paul G. Kirk, Jr.
Frank J. Fahrenkopf, Jr.
Co-chairmen
Commission on Presidential Debates
601 Thirteenth Street, NW
Suite 310 South
Washington, DC 20005

Dear Paul and Frank:

Thank you very much for your letter of September 10, 1991. Although the burden of your letter was critical in tone, I did note with pleasure that you had found the Nine Sundays proposal "interesting" and "worthy of study." The central concern of the Shorenstein Barone Center has always been an improvement of the political process, a concern that I am absolutely certain you and the members of your Board of Directors share. One need not be a Republican or a Democrat to embrace the hope for better days.

Throughout the more than two and a half years of research devoted to "Campaign Lessons for '92," only one part of which is Nine Sundays, I found that almost all of the scholars, journalists, pollsters, ad-makers and political operatives who joined in our effort wanted '92 to be better than '88, and we searched rigorously for the best ideas, all of us driven by an underlying conviction that the American people, the only reservoir of political legitimacy in this system, now so increasingly admired around the world, deserve a sounder, more serious and substantive discussion of the issues, especially in the concluding phase of a presidential campaign. Hence, Nine Sundays, which has received such satisfying coverage and support in the week or so since its release, -- I suspect the reason being that most Americans, even Republicans who won, having experienced the '88 campaign, are now scanning the horizons for formats, proposals, concepts and ideas for improving prospects for '92.

We are all united on so many of the same purposes that it was, obviously, disappointing to me and my colleagues that you found it necessary, as you wrote, to "correct some misimpressions, outright errors and omissions" in the Center's "Nine Sundays proposal. Let me address your major points.

1. You are right. It was not James Baker who called the studio; it was Bob Goodwin, in this context, a distinction without a difference. You are also right that this error should have been spotted and corrected before distribution of the proposal. I assure you that in subsequent releases this error will be corrected. The point, however, should not be dismissed. Although there might not have been "something quite pejorative, something quite sinister," to quote your colleague and my friend, Ed Fouhy, during a May conference in Washington, about Mr. Goodwin's call, nevertheless he called, and Fouhy acknowledged the possibility that "he was reminding me, perhaps" that it was time to move from domestic to foreign affairs.

2. You said that the "political parties" had "absolutely nothing to do with the selection of journalists." Of course I accept your word, but again this may be a distinction without a difference. The journalists who participated in the panels believe that if it wasn't the "political parties" that cleared the panelists, it was the candidates and their staffs, representing their parties, who cleared them.

3. You also made a point of disputing our statement that the audiences were "divided equally between Republicans and Democrats." Obviously, there were no turnstiles keeping exact numbers, but the evidence is overwhelming that the audiences were in fact divided if not literally "equally" then substantially along party lines. Again, a distinction without a difference.

4. You asserted that the Nine Sundays proposal used "a few isolated negative quotes" to convey the impression that the '88 debates were dismal affairs at best. Hardly. The quotes you cited (by the way, the same ones Fouhy cited at our May conference) were good and important, but there are dozens of others that take a contrary position. The point is not whether there should be debates. The point is that the debates be structured so that substance is emphasized, not jokes, and soundbites. It is precisely because, as you wrote, that so many Americans value the debates that we all want to see better debates, and that is what, in part, Nine Sundays attempted to propose.

Your letter suggested that Nine Sundays is somehow a critique of the Commission on Presidential Debates; not at all. It also suggested that, for you, a primary purpose of the whole exercise is that the Commission retain control, or sponsorship, of the presidential debates; for us, the primary purpose is better debates within a wider context of more television time on Sunday evenings as a means of elevating substantive discussion of the major issues facing the American people in their selection of a President. Debates are vitally important, but they represent only part of the problem.

My concluding point is really a plea. There is, among friends, no need for divisiveness or discord. There is, on the contrary, a much stronger need for people of good will, those who share a common desire to improve the political process, to band together for the benefit of the American people. There is still so much work to be done. It is in this context, believe me, that all of us associated with the Shorenstein Barone Center offer the hand of friendship and the hope of cooperation.

I do hope that I shall have the pleasure of seeing you both in the near future.

All the best,



Marvin Kalb

cc: Board of Directors,
Commission on Presidential Debates

THE WHITE HOUSE

WASHINGTON

September 17, 1991

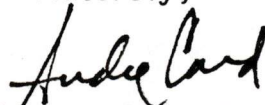
Dear Sophie and Phil:

I'm sorry I'm so late responding to your letter of August 16. It's been a hectic month.

In any case, I just wanted to say that I'm sorry Governor Sununu had to regret the invitation to the Nana Mouskouri concert last night. He appreciated very much your invitation and asked me to pass along his thanks and his warm regards.

I hope all is well with you. Keep in touch.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff

Mr. and Mrs. Philip V. Fleming
9134 Kirkdale Road
Bethesda, Maryland 20817

MRS. PHILIP V. FLEMING
9134 KIRKDALE ROAD
BETHESDA, MARYLAND 20817

*Lc
Short resp.*

August 16, 1991

The Honorable
Andrew H. Card, Jr.
Assistant to the President
Deputy to The Chief of Staff
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Andy:

Here is a copy of the letter that Jimmie Reichert spoke to your assistant about -- inviting Governor Sununu to the Nana Mouskouri concert and reception here in Washington, at the Kennedy Center, on Monday evening, September 16th.

We hope that you may find it possible to put in a good word.

We know that the Governor and Mrs. Sununu will enjoy Nana's performance, and the reception -- Nana's voice is even more fabulous now than it was when they attended her benefit performance in Manchester.

With our thanks, and best regards,

Sophie and Phil

Mrs. Philip V. Fleming

cc: Jimmie Reichert
Holbrook, Mass.

(Jimmie Reichert's aunt)

MRS. PHILIP V. FLEMING
9134 KIRKDALE ROAD
BETHESDA, MARYLAND 20817

August 16, 1991

The Honorable
John H. Sununu
The Chief of Staff
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Governor Sununu:

We're sure you remember, warmly and well -- as we do -- that memorable evening when Nana Mouskouri came to Manchester to sing a benefit performance in behalf of the Greek Orthodox Church. A wonderful experience for all of us who attended, and a great fundraiser for the Church!

Now, Nana is coming to Washington next month, and we hope that your schedule will permit you and Mrs. Sununu to join us again:

1. She will perform in the Concert Hall of the Kennedy Center, Monday evening, September 16th, starting at 7:00 P.M.

2. Immediately following the concert, Phil and I are hosting a reception for Nana, in the Dumbarton Room of the Four Seasons Hotel. About fifty of Nana's friends will gather there, after the show, to pay tribute to her. As you know, she is a most gracious lady, as well as one of the world's most acclaimed performing artists.

And she would be greatly honored if you might find the time to attend her performance, again, and to greet her at the reception after her performance.

We hope that you and Mrs. Sununu may be able to join us for what promises to be a great evening -- even, perhaps, rivaling that great evening in Manchester.

Please give me a call, R.S.V.P., at 301-530-7488.

Sincerely,

Sophie and Phil
Mrs. Philip V. Fleming

Business Attire

cc: Andrew H. Card, Jr.

Enclosed:
Save The Date!

10 September, 1991

file

Cecilia L. Fábos-Becker
3273 B Rocky Water Lane
San Jose, CA 95148
408/ 223-6102

Attn: Andrew H. Card Jr.
Assistant to the Chief of Staff
Executive Offices
Washington, DC

Dear Mr. Card:

I have communicated with you only once or twice before on very important issues, to be considerate of your valuable time. I have another such issue for you to which I trust you will give the same prompt attention you have before.

This morning I received a call from my investment banker partner in PRIMA Partners who had some very serious, urgent news about East Europe. Caring for the immediate, basic needs of over 300 million people is much worse than anyone imagines. However, it can be managed with a combination of private and government help, with many costs borne by the private sector. More importantly, the private sector--of both the U.S. and East Europe--can even make money in the situation, if things are done carefully enough.

The U.S. government can help in two ways. One involves little more than some rules changes. The second is more serious, and does involve some cost, but if the Bush administration is careful to manage it and obtain international cooperation similar, but more quickly, to the Kuwait-Iraq situation, it will cost far less than the previous situations in Kuwait and Panama, and significantly improve the standing of the U.S. long-term throughout East Europe. This makes both U.S. political and business aims easier to achieve.

I will briefly describe the problem and the easier half of the solution first: The problem is an immediate, critical shortage of energy, particularly electrical. Most of East Europe, including Poland, Hungary, Bulgaria, Romania, parts of Czechoslovakia and Yugoslavia get their electrical power from the USSR. Energy production--especially the fuels for it like coal and oil--is down, costs are up, and need is increasing as all the countries try to build/ rebuild industries and experience increasing populations. The Soviet Union is the crux of the problem. This nation is in the worst shape as it cannot even feed itself as well as most of the other East European nations. In order to buy food, it is bent on selling every commodity it can as quickly as possible at the highest possible prices. Energy is one of its few easily marketable, successful commodities. West Europe cannot fill the breach, they barely have enough of their own energy.

Energy rates in East Europe have already gone up 160% in the first 7 months of this year and the Soviets are raising them again this winter. It is realistically estimated by several financial experts that of the total operating costs of businesses and apartment buildings, 35% will be energy costs--heating, lighting, food and materials processing, etc.--drained from the total budgets of the East European countries to be paid to the Soviet Union. The prediction is that the economic redevelopment

will halt, unemployment will rise, food processing/ production will decrease, and thousands of people will either freeze or starve to death, or both, throughout East Europe.

But, as I have said, things can be done. Disaster can be averted, but everything I am about to suggest must now be done very quickly. This problem did not just "happen overnight". The U.S. and the E.C. have been ignoring it for almost two years as it has been worsening. It is now just two months to the beginning of the next East European winter.

One thing that can be done, immediately, is to help find alternatives for the USSR to sell in exchange for a promise from them not to raise energy rates any further, in fact get them to reduce the current rates by 25%, or a better 33%, and raise them to full market value over two years. Encourage them to use phasing similar to the way the U.S. is phasing out agricultural and water usage subsidies. Now, then, the best ways for the U.S. to help find alternative commodities and teach the USSR how to do business for itself are with a few simple bureaucratic changes.

First, remove most of the travel restrictions on Soviet personnel in this country--particularly the 15 mile restriction on the San Francisco consulate. Second, allow, even encourage, the Soviets to set up another consulate in Chicago--as it is close to the food production/ processing region of this country. Third, get the Commerce department to become proactive. (A) Have it contact trade/ manufacturing associations (such as the Asian American Manufacturers' Association, here, which actually is nearly half investment bankers and international traders in great variety) and through them quickly compiling an up-to-date list of international commodity traders, including company and contact names, addresses, telephone and fax numbers. (B) Then have Commerce give copies of the lists to consulate officials and encourage them to identify their own commodity sellers and give them copies of the lists. (C) Finally, work out an arrangement between commerce department officials, consulate officials and the trade/ manufacturing associations to introduce officials and new Soviet business persons to the commodity traders.

One thing to keep in mind, while these solutions seem simple, and rather like teaching children, they will be welcome if handled well, with genuine helpfulness and not condescension. In the words of one Soviet consulate official here, "we have come to realize we are children in world business. We know little of even basic procedures, and our very survival is at stake. We must learn and are willing to do so". (You can confirm those comments with Professors Sam Trull and George Lee of the US-USSR and US-China Business Institutes at San Francisco State University, if you like, as they were with me during that conversation at the consulate.)

Now for the difficult half of the solution. Hungary, Austria, Romania, and Czechoslovakia can develop, even for this winter an alternative oil source for heat, transportation and electrical energy production, but that source is in immediate grave danger of destruction, similar to Kuwait, or restriction as bad or worse than that of the USSR. That source is the Croatian oil fields and pipeline (they also produce natural gas....). The oil fields and pipelines are in the nominal hands of the Croats. However, the Croats are being forced to supply both communist Serbia and the hard-line communist Yugoslav army invading Croatia with the oil and at reduced rates or alternatively the communist forces will destroy the fields and pipelines as Saddam Hussein did to Kuwait. As you can see

from virtually every report on the fighting in this region, the threat is very credible. The communists are in an excellent situation to destroy this major resource for all of East Europe.

What is effectively happening, is Croatia is being forced to fuel the Serbian invasion against it--its own destruction, in other words, until the communist forces gain enough territory and strength to actually seize the resource itself. Besides the oil and natural gas, the Serbians will also control all the seaports the landlocked countries of Hungary, Austria, and Czechoslovakia depend on for international trade also--and the port fees and control of what goes in and out.... At that point, the communist hard liners will be able to charge high rates for both energy and use of ports, to East Europe similar to those of the USSR, to pay for their destruction of Croatia, replacing any military losses, and attempting questionable recovery for Serbia under the failed communist economic policies which they insist on retaining. Of course, recovery for any of the six Yugoslav republics beyond Serbia will be non-existent.

Milosevic and his friends are absolutely no different than Saddam Hussein. He threatens the economic recovery of all of East Europe, and future trade with both the EEC and the U.S., to build a communist Serbian empire. The Serbian communists have not responded to diplomatic and economic pressures any better than Saddam Hussein did. Why should they? With control of the oil and ports they can gain much more than from the paltry incentives or disincentives either the EC or the US has proffered.

The Serbian communists obviously believe the West will do nothing for the East--as it did in 1945, 1956, 1968, 1972 and 1980 (Poland). The Serbian communists also know it would be much more costly for the West to drive them out of Croatia, with its much more arduous terrain, than it was for the combined forces to drive out Hussein across the desert. After all, it was in Croatia that the great Mongol forces were finally decimated and thus prevented from taking the rest of Europe. The Serbian communists will continue to take Croatia little by little, keeping the (known) loss of life down, while they laugh at the U.S. and EC as it continues to dither in meetings, until they are ready for a final assault they can complete in 3 days or less. Then they will seize all the rest, and present you with a fait accompli, and a horrendous cost of removal which they wager you will not pay.

If the Bush administration is not prepared to stop Milosevic, now, is it any more prepared for the economic disaster this winter and beyond for all of East Europe. Is it prepared for the loss of thousands of lives due to both war and the economic disaster, and the possible negative feelings of millions of East Europeans toward the U.S. and West as the full extent of the disaster develops and becomes apparent? Is the Bush administration prepared to lose the 1992 election as millions of East European-Americans and their friends among Americans of good conscience vote their disgust? Please don't let this happen. Instead, support Croatia and East Europe as you once did Kuwait and West Europe and Japan.

Respectfully,

Cecilia L. Fabos-Becker

Cecilia L. Fabos-Becker

THE WHITE HOUSE
WASHINGTON

September 4, 1991

Dear Tom:

Belated thanks for your letter of June 7, 1991, endorsing Jim Koloski. Indeed, he sounds like a wonderful kid and I've forwarded his resume on to the Office of Presidential Personnel and the Republican National Committee. Both places should follow-up with him directly.

I hope something works out.

Take care of yourself.

Sincerely,



Andrew H. Gard, Jr.
Assistant to the President
and Deputy Chief of Staff

Mr. Thomas F. Flannery
Vice President Manufacturing
MIJA Industries, Incorporated
Aldrin Road
Plymouth Industrial Park
Plymouth, Massachusetts 02360

THE WHITE HOUSE
WASHINGTON

Date: 9/5/91

TO: Jan Naylor
FROM: Mia Kelly
Special Assistant to the Chief of Staff

For appropriate handling.

Thanks!

THE WHITE HOUSE
WASHINGTON

Date: 9/5/91

TO: Lisa Greenspan
FROM: Mia Kelly
Special Assistant to the Chief of Staff

For appropriate handling.

Thanks!

JUN 12 1991

June 7, 1991

Mr. Andrew H. Card, Jr.
The White House
Washington, D.C. 20500

Dear Andy:

I am sending to you a resume of a young man who has just graduated from Merrimack College with a degree in political science.


I have known Jim Koloski for ten years and would recommend him for virtually any position. He is straightforward, honest and has a personality and wit that would be a great asset to the Republican party.

Could you take thirty minutes from your busy schedule to try to meet him? He can travel to Washington or if you are in the Boston area, he can make himself available at your convenience.

Andy, this young man has a tremendous desire to enter into government and/or politics and is a registered Republican. To let him slip through the cracks would be a travesty for the party.

I would like to thank you in advance for any help you can give to bring Jim into the fold. If I can be of any service to you, please do not hesitate to call.

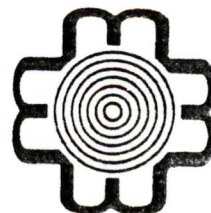
Sincerely,



Thomas F. Flannery
V.P. Manufacturing
(Former Holbrook Resident)

TFF/cjf

ALDRIN ROAD
PLYMOUTH INDUSTRIAL PARK
PLYMOUTH, MASSACHUSETTS 02360
Telephone: (508) 747-1200
Fax: (508) 747-2127



JAMES M. KOLOSKI

5 Burning Tree Lane
East Sandwich, MA 02537
(508) 888-3573

OBJECTIVE To obtain a challenging position that will utilize acquired skills along with my ability to communicate with others.

EDUCATION **MERRIMACK COLLEGE, NORTH ANDOVER, MA.**
Bachelor of Arts, Political Science, 1991

Sept 1987
to
May 1991

Memberships and Activities: Vice-President, Class of 1991, Men's Varsity Lacrosse, Intramural Football, Intramural Basketball, Contributing author to an English Department Essay Collection

SANDWICH HIGH SCHOOL, SANDWICH, MA
Memberships and Activities: President, Class of 1987, Who's Who in High School America 1987, Massachusetts Boy's State, Men's Varsity Lacrosse

Sept 1983
to
Sept 1987

EMPLOYMENT **PLYMOUTH COUNTRY CLUB, PLYMOUTH, MA**
Pro Shop Manager:

May 1988 to
Sept 1990

Responsible for daily management of the pro shop
Supervised staff of four employees
Provided customer service to members and guests
Maintained, priced and managed shop inventory
Assisted in setup, running and successful completion of major amateur tournaments
Handled shop's Accounts Receivable
Ran computer system vital to shop's daily operations

BLM LANDSCAPING, SANDWICH, MA
Landscape Crew Foreman:

May 1987
to
Sept 1987

Established an independent landscaping company
Headed a crew of two employees that maintained and groomed customers property

INTERESTS: Reading, Golf, Skiing, Squash

REFERENCES: Available upon request

THE WHITE HOUSE
WASHINGTON

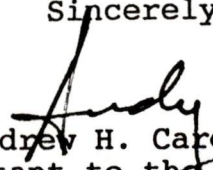
September 5, 1991

Dear Mr. ~~Freedberg~~ ^{Michael}:

Many thanks for your letter of July 19, 1991, relaying your thoughts on the Immigration Act of 1990. I always appreciate hearing from folks around the country - particularly from my home state - and will share your concerns with the appropriate officials.

Thanks for taking the time to write.

Sincerely,


Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff

Mr. J. Michael Freedberg
Attorney-at-Law
11 Clifftondale Street #1
Roslindale, Massachusetts 02131

J. MICHAEL FREEDBERG

ATTORNEY AT LAW
11 CLIFTONDALE STREET #1
ROSLINDALE, MA 02131
(617) 323-1103 and 323-1315
BBO #178310

RECEIVED

JUL 24 1991

Andy Card
Special Assistant to the ^{President for} Intergovernmental Affairs
White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Andy:

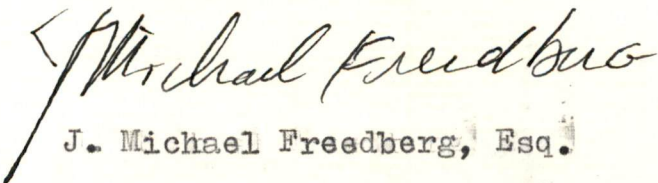
Sorry that my first ever written communication to you must be an alarmist letter. Still, the frightful implications of the Immigration Act of 1990 leave me no other choice. The President MUST initiate legislation to repeal the act. Specifically, there should not only NOT be the restrictions on touring artists that that act contains, there should be NO restrictions on touring artists. Quite the reverse: there should be ENCOURAGEMENT of and SPECIAL INVITATIONS given to overseas artists to come here and perform!

The world is one. Free and vigorous and constant exchange of expression in a face-to-face, live performance and live audience context is the ONLY ideal consistent with the world being one, and with our own constitution's commitment to free expression.

The president should address the country on this ominous development and demand that America not castrate its artistic self as the 1990 Immigration act does.

I send the Herald, a paper that has already served President Bush well!

Sincerely,


J. Michael Freedberg, Esq.

cc: U. S. Senator John F. Kerry
Congressman Joseph Moakley

7/19/91

ARTS
BY GREG REIBMAN

CLOSED CURTAIN

A *new*
immigration

law may
make it
impossible
for a wide
range of
foreign artists
to perform
for American
audiences

If any foreign performers — Italian opera singers, Russian ballerinas, British rock musicians, even Chinese circus stars and Australian tennis players — are on your must-see list, you'd better hurry. After September, you might not have another chance.

A new set of immigration laws passed last year by Congress threatens to turn the entertainment world upside down. The rules, which go into effect Oct. 1, guarantee entry only to individuals who are acknowledged superstars and their supporting performers and technicians and sets a limit of 25,000 for all other performers and staff who will be allowed into the country annually.

Immigration experts worry that the new laws could prevent the next up-and-coming opera great or budding rock star from establishing a career here. One immigration expert says if the new rules were in place in 1964, the Beatles might never have stormed America. Despite a debut booking on "The Ed Sullivan Show," the fledgling mop-tops might not have come to the United States because drummer Ringo Starr had been in the band less than a year and thus would have failed to qualify under a one-year-membership restriction.

Local promoters also say the changes also could prevent multicultural events such as "Africa Oye" and could block established groups such as the Vienna Philharmonic, the Bulgarian State Female Choir, France's Le Cirque Imaginaire or Scotland's Battlefield Band from ever reaching Boston.

Meanwhile, the manager of the multiplatinum-selling rock group Dire Straits has threatened to cancel a planned U.S. tour if immigration officials deny entry to its 25-member road crew.

"It's ironic that while new democracies around the world are being created, here we are slamming the door in the faces of international artists," says Jeremy Alliger, executive director of Cambridge's Dance Umbrella, which in recent years has imported both traditional and cutting-edge acts from around the world.

"This is going to be a great loss to the American public," adds Julie Strauss, a lawyer for Ringling Bros. and Barnum & Bailey Circus, whose ranks regularly include Chinese acrobats and other performers from around the globe. "It is going to cause big problems for the entire entertainment industry."

□□□

Not everyone is unhappy with the new law, however. The proposed changes have the support of the AFL-CIO and other labor unions, which claim foreign performers take jobs that could go to American performers and technical crews.

"Cuts in arts budgets and the displacement of people in the performing arts due to new technologies are severely affecting opportunities for Ameri-

cans," says Actors Equity spokesman Dick Moore. "We have no shortage of qualified people working here in this industry and that's why we support the bill as passed."

But Bank of Boston Celebrity Series executive director Walter Pierce dismisses union claims that foreign artists curtail American jobs.

"If I can't book a certain world-renowned artist, I'm not going to book an American artist just because they're American," he said. "Plus, for every foreign performer who comes here, hundreds of American jobs are created, as ushers, truck drivers, technicians, publicists and so on."

"The rules are shortsighted and a nuisance," Pierce added. "I hope they get rid of them."

Even key members of Congress who helped pass the new rules as part of the Immigration Act of 1990 now admit they didn't realize the full implications of the law and are scurrying to make changes.

The 100-plus pages of rules were published last week in the Federal Register by the Immigration Naturalization Service. The INS is soliciting public reaction to the changes for 30 days and has the authority to adjust some regulations before they go into effect Oct. 1. But other aspects of the law must be changed by Congress.

Under the new act, only well-known superstars and their casts and crew will be guaranteed entry to the country. All non-superstar acts and the individual members of any performing group, no matter how famous, will be limited to 25,000 per year.

The nose-count rule could effect such varied groups as Russia's famed Bolshoi Ballet, Britain's alternative trio the Cockette Twins, folk-rock legend Richard Thompson or the popular Kodo Drummers of Japan.

It could even prevent an American superstar such as Paul Simon from having African and South American musicians play in his band, as he has done on his last two U.S. tours.

But Susan Farr, executive director of the Association of Performing Arts Presenters, says "nobody, not even INS, knows how many artists came into the country under the old rules. By the summer all the visas will be gone and your performance would be denied."

Boston Symphony Orchestra managing director Kenneth Hass illustrates how quickly the 25,000 cap could be used up. He estimates that at least 1,000 foreign performers — including five symphony orchestras (each consisting of 103 musicians and a support staff of about 20), groups like the Vienna Boys' Choir and solo performers appear at Symphony Hall each year.

Of course, hundreds of foreigners also appear each year at Great Woods, the Centrum, Boston Garden, the Wang Center, the American Repertory



BANNED?: As of Oct. 1, new immigration laws may not allow entry to popular foreign performers such as the Peking Acrobats, above.

Theater, Nightstage, Jordan Hall, Citi, Paradise

and other venues. And those are just the ones who come to Boston. Many others never stop here on their tours.

Because the rules differentiate between solo performers and members of a group, immigration lawyer Howard Kushner also wonders what will happen if a group member wanted to do some solo work here.

"Let's say that Phil Collins comes here to tour as a member of Genesis," Kushner says, "but the 'Tonight Show' invites him to appear as a solo artist. Would he be denied because he's here on a visa as a member of a group?"

The regulations also would prevent an artist from applying for a visa until 90 days before the performance.

"That's insane," says Dance Umbrella's Alliger, who says the performances of "Africa Oye" took more than two years of planning. Dance Umbrella has been working on October's Israeli and Jewish-American Dance Festival for a year. Meanwhile, the world's major symphonies set schedules three to four years in advance.

"That will effectively make it impossible to plan any international engagement," Alliger says. "You need time to book the hall, fund raise, send out

publicity and sell tickets. Imagine bringing in an orchestra but not knowing until 90 days before the performance if it is going to take place!"

Another concern is a proposed rule requiring that individual members of a group must have belonged to that group for at least one year before coming to the United States.

"Every symphony has members who've just joined in that season," says the BSO's Hass.

Adds Kushner: "What if the Who wanted to tour after Keith Moon died? Would they have to play without a drummer?"

□□□

Because of objections raised by promoters and arts groups, officials in Washington now predict that some, but not all, of the regulations will be changed.

In a letter sent to INS commissioner Gene

Immigration experts worry that the new laws could prevent the next up-and-coming opera great or budding rock star from establishing a career here.

McNary last month, Sen. Edward M. Kennedy (D-MA), who chairs the Judiciary Subcommittee on Immigration and Refugee Affairs, and two other senators have proposed an 18-month study of the 25,000 cap to determine if the number is adequate. The senators also are calling for elimination of the 90-day rule and the one-year-membership rule.

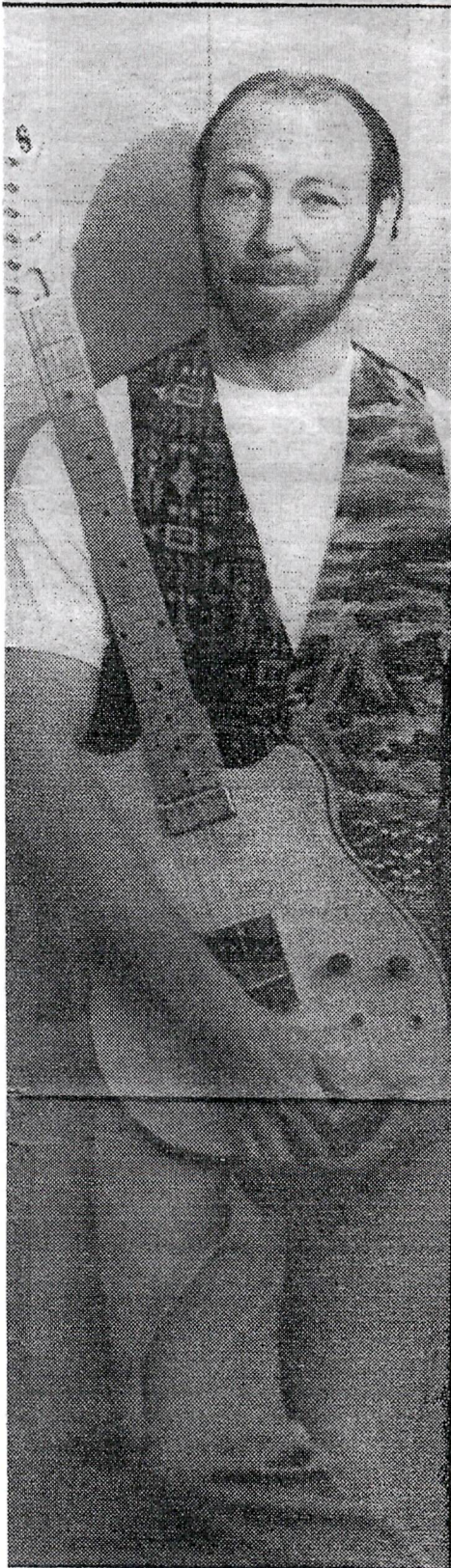
While arts presenters applaud the proposed changes, Actors Equity is organizing a campaign among members to maintain the law.

"I think this is a bogus issue," says Equity's Moore. "The 25,000 cap is extremely liberal and it is not specific to the performing arts. Congress has capped a number of industries.

"It's an issue that has been created as a scare tactic to try to keep people who want to do whatever they want to do," Moore says.

But many arts presenters counter by saying that if the rules are not changed, it will affect American performers who travel abroad, too. Canadian ambassador D.H. Barry has already warned federal officials that his government will consider reciprocal measures. Published reports suggest other foreign governments may also follow suit.

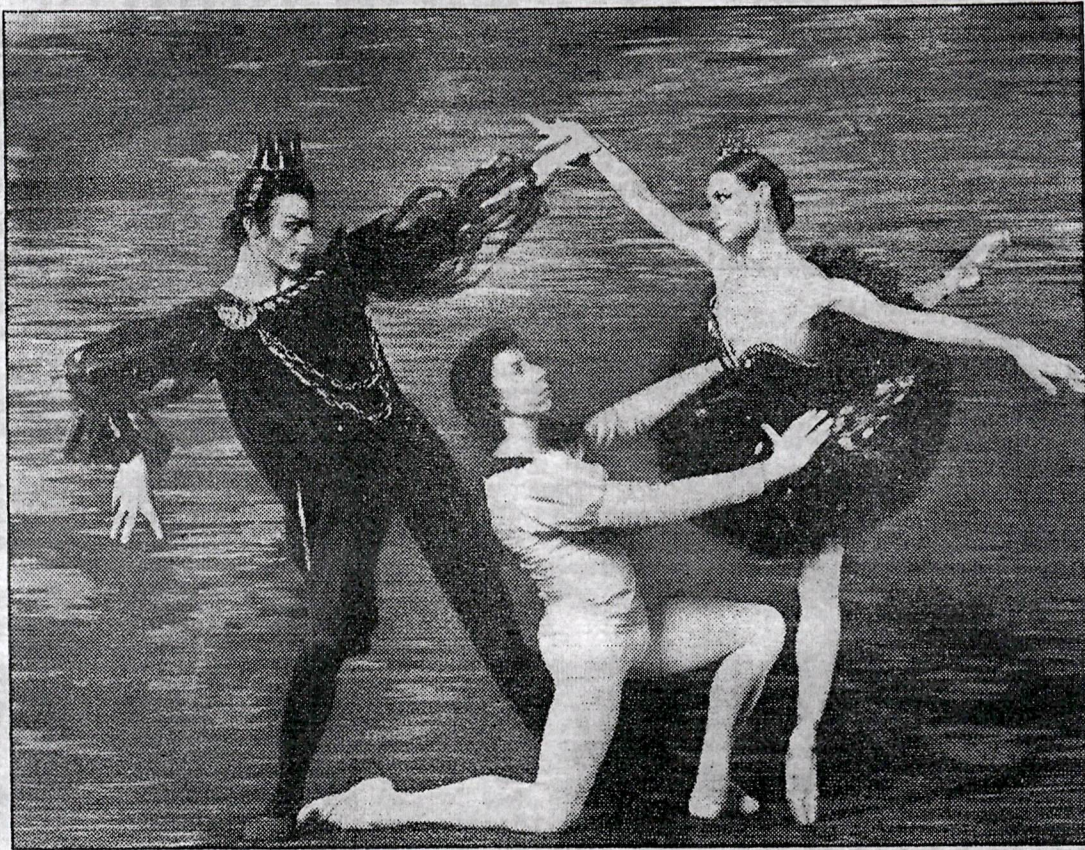
"More and more foreign producers are going to say 'to heck with them' and they're going to stop bringing U.S. artists over," says Alliger. "Soon we will be living in a total vacuum."



THREATENED: Multicultural events such as "Africa Oye," above, and British folk-rock legend Richard Thompson, left, may not be allowed to tour the United States.



PROTEST: The annual limit of non-superstar acts to 25,000 visas may affect alternative rock acts such as the Cocteau Twins, right. Rock group Dire Straits, above, has threatened to cancel its U.S. tour if immigration officials deny entry to its 25-member road crew.



NO ENTRY: *Even Russia's prestigious Bolshoi Ballet, above, may not qualify for visas.*



THE WHITE HOUSE

August 23, 1991
Kennebunkport, ME

Dear Frank -

Thank you for your correspondence comprehensively detailing the history and current circumstances of the Commission on Presidential Debates. I will make sure that Governor Sununu sees your letter and that the CPD role in the Presidential Campaign is discussed.

I appreciate the cooperation you exhibit. Your counsel is valuable. After Labor Day, we should get together to follow-up on our last discussion.

Sincerely,
Andy

Andrew H. Card, Jr.
THE WHITE HOUSE
WASHINGTON

Frank J. Fahrenkopf, Jr.
Commission on Presidential Debates
1350 Connecticut Avenue, N.W.
Washington, D.C. 20036

Suit 900

THE WHITE HOUSE
WASHINGTON

DATE: September 4, 1991

TO: Governor Sununu

FROM: ANDY CARD

We should talk.



COMMISSION ON PRESIDENTIAL DEBATES 1350 Connecticut Avenue, NW • Suite 900 • Washington, DC 20036 • (202) 462-1020

AC has seen 8/23/91
Refer to Gov. Summers.
(We should talk.)
Andy

August 15, 1991

Mr. Andrew H. Card, Jr.
 Assistant to the President and
 Deputy to the Chief of Staff
 The White House
 Washington, D.C. 20500

Dear Andy:

As per our luncheon discussion of a few weeks ago, I want to lay out for you in some detail the history and current circumstances surrounding the Commission on Presidential Debates. I do so to ensure that there is no misunderstanding concerning the intent of the Commission and its work.

In 1985, the Commission on National Elections was established to review a broad range of issues relating to the general election process. Sponsored by the Center for Strategic and International Studies at Georgetown University, it was co-chaired by Melvin Laird and Robert Strauss and included 40 national leaders from public service, business, labor, and media. Among others, Governor Sununu served on the Commission.

The Commission spent a significant amount of time studying presidential debates, which had been sponsored by the networks in 1960 and the League of Women Voters in 1976, 1980, and 1984. It was the almost unanimous consensus of Commission members that future debates would be sponsored best by a permanent, neutral organization whose sole charge was debate production. Acting on a formal recommendation by the Commission, I, as RNC Chairman, and Paul Kirk, as DNC Chairman, took steps to establish the Commission on Presidential Debates (CPD) in February 1987. The CPD is a non-profit, tax-exempt organization; it is funded by private donations and receives no federal or party-based support. Its directors, advisory board members, and donors are listed in the attached brochure. Both the RNC and DNC unanimously approved the creation of the CPD.

Co-chairmen

Frank J. Fahrenkopf, Jr.
 Former Republican
 National Committee Chairman
 Paul G. Kirk, Jr.
 Former Democratic
 National Committee Chairman

Honorary Co-chairmen

Gerald R. Ford
 Jimmy Carter

Executive Director

Janet H. Brown

Directors

John C. Culver
 Pamela Harriman
 Vernon E. Jordan, Jr.
 Richard Moe

David Norcross
 Kay Orr
 Representative Barbara Vucanovich
 Governor Pete Wilson

Mr. Andrew H. Card, Jr.
August 15, 1991
Page 2

The CPD started work on the 1988 debates in April 1987. The primary tasks were the following:

- Site Selection: The CPD chose debate sites in a fashion similar to the convention selection process. Guidelines outlining debate facility needs were issued in the summer of 1987, and proposals were due by late October of that year. Eighteen cities submitted bids; four were chosen as potential debate sites. In addition to providing suitable technical facilities, debate hosts agreed to raise the funds necessary to cover direct production costs (approximately \$500,000).
- Date: The CPD started working with the television networks in April 1987 to identify potential debate dates for the fall of 1988. The autumn television schedule is complicated, given baseball league championships, the World Series, and other contractual obligations held by the networks. In 1988, the Summer Olympics were held in September, which resulted in additional conflicts in network calendars. While final agreement on dates had to wait for the candidates' approval, the CPD attempted to identify those days between mid-September and mid-October that would accommodate the various parties involved.
- Production: The CPD assembled a production team headed by Ed Fouhy, former Senior Vice President of News at CBS, ABC, and NBC. He put together a staff of engineers, set and lighting designers, construction personnel, and media coordinators who had extensive network experience similar to his. Mr. Fouhy acted as the liaison between the candidates' staffs and the network producers responsible for their respective pool coverage of the debates.
- Fundraising: While direct production costs of each debate were raised by each debate host, the funds to cover the CPD's overhead, research, legal and insurance costs, and educational programs were

Mr. Andrew H. Card, Jr.
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Page 3

raised nationally from the CPD office. These funds totalled \$1.2 million in 1987-88 and were contributed by corporations and foundations.

- **Third Party Candidate Research:** In 1988, the CPD's Board of Directors named a committee composed of directors and advisory board members to develop criteria by which to assess any third party candidate who might seek inclusion in the debates. Extensive research was conducted to formulate these criteria, which were used to respond to a request from Dr. Lenora Fulani, a candidate of the Rainbow Coalition Party, who asked that she be invited to debate.

As I am sure you are aware, the CPD denied Dr. Fulani's request to participate in the 1988 debates. She thereafter commenced suit against CPD and the Treasury Department of the United States seeking damages and the reversal of the Treasury Department's granting of the non-profit tax-exempt status to the CPD. The CPD has been successful at the District Court and Circuit Court of Appeals levels here in Federal Court in Washington and contemplates that Dr. Fulani may attempt to prosecute an appeal to the U.S. Supreme Court. The CPD Board of Directors and its counsel, however, are confident that we will succeed totally in the litigation.

- **Media:** More than 2,000 journalists covered each debate in 1988. The arrangements for credentialing and management of the press rooms were handled by the professional staff of the House and Senate Press Galleries. Using their computer system, they recorded and responded to all requests for credentials starting in June 1988.

In 1988, the CPD offered to work cooperatively with the League of Women Voters on the debates. League officials chose to bid for debate sponsorship independently and went their separate way with site and date selection. In the spring of 1988, the League announced four sites and dates for presidential debates to be held that fall.

Mr. Andrew H. Card, Jr.
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Page 4

The CPD also proposed four debates (three presidential and one vice presidential) at four different sites on different dates from that proposed by the League of Women Voters.

Following the two nominating conventions in July and August, representatives of then Vice President Bush and Governor Dukakis met in early September to discuss debates and to consider the proposals that were outstanding from the League and the CPD. Jim Baker, representing the Bush campaign, and Paul Broutas, representing the Dukakis campaign, eventually reached agreement that there would be three debates -- two presidential and one vice presidential. It was further agreed between the campaigns that the CPD would sponsor the first presidential debate and the vice presidential debate. The League of Women Voters was asked to sponsor the second presidential debate. It is worth noting that the number of debates, the sites, and dates eventually agreed to by the Bush and Dukakis campaigns were not totally consistent with either proposal from the CPD or the League of Women Voters.

The CPD produced the first debate on Sunday, September 25, at Wake Forest University, followed by the vice presidential debate on Wednesday, October 5, in Omaha, Nebraska. On October 3, League of Women Voters officials announced that they were withdrawing from sponsorship of the second presidential debate, citing disagreement with the presidential campaigns, and the CPD was asked by the two campaign chairmen to produce the second presidential debate, which took place on Thursday, October 13, at the University of California at Los Angeles.

Undoubtedly, it was the opinion of both the Bush-Quayle and Dukakis-Bentsen staffs and the media that debate production in 1988 progressed far more smoothly than it had in previous years. Ed Fouhy and his CPD staff brought better production expertise to the debates than any previous team. They ensured that all equipment was of the highest sophistication and quality and provided triple backup for audio, video, and power systems. Further, Mr. Fouhy's reputation and career accomplishments gave him a position of unparalleled trust and respect from network representatives, candidates' staffs, and journalists covering the debates. Selection of debate panelists and moderators was carried out discreetly and quickly, with none of the lengthy contention which characterized the 1984 debates. For the first time, credentialing of the 2,000 journalists who covered each

Mr. Andrew H. Card, Jr.
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Page 5

debate was handled by the permanent staff of the House and Senate Press Galleries. And finally, hosting the debates on campuses allowed the involvement of many student volunteers, promoting the educational mission of the debates themselves.

As I have indicated to both you and Chairman Yeutter in person and in prior correspondence, the CPD is working now on plans for the 1992 debates; the timeline is similar to that of 1987-88. Site guidelines were issued in February of this year, and bids from potential debate hosts are due by September 1. Bids have already been received from William and Mary College, Michigan State University, The University of California at Irvine, and several other possible hosts.

In February, Co-Chairman Kirk and I met with the presidents of ABC, CBS, and NBC to brief them on the planning schedule for 1992 and to ask for information about 1992 World Series, league championship, etc., dates.

In 1988, the CPD worked with ten national organizations to promote the educational value of the debates and to involve schools and civic groups in understanding debates in the general election. These groups included the National Association of Broadcasters, the American Newspaper Publishers Association, and the National Cable Television Association (a complete list appears in the attached brochure). Four new groups have joined the CPD in recent months to work on the 1992 debates, including the League of Women Voters and the Vote America Foundation. Donors have pledged approximately \$500,000 to date to underwrite the education program which the CPD will sponsor in cooperation with these fourteen voter education partners.

The debates have become focal points of the general election. In 1988, a record 160,000,000 Americans watched the three debates; exit polls indicated that more voters based their final balloting decisions on the debates than on any other single issue. Not surprisingly, different groups have tried, and will continue to try, to claim debate sponsorship rights. But the original reason for the CPD's creation remains sound: to have an objective organization with no other agenda act as debate sponsor. One of the objections to the League of Women Voters' past debate sponsorship was the fact that the League is an

Mr. Andrew H. Card, Jr.
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Page 6

advocacy group; it takes stands on public policy issues and lobbies actively for its positions. By definition, this makes it difficult for the League to be a neutral arbiter in debate negotiations. In joining the CPD as a voter education partner for 1992, the League has expressed its support of the CPD's sponsorship and has stated that it will not seek to sponsor general election debates.

The television networks have expressed some interest in competing for sponsorship, claiming that they will be able to dictate debate format which the candidates will be obligated to accept. Their interest comes at a time when network executives admit to having scarce resources to devote to coverage of the 1992 election. Further, they would encounter significant conflicts in acting as neutral sponsors, given their primary mission of news gathering.

There is also legislation regarding debates, which has been discussed as a part of overall campaign reform. The Graham-Markey bill would require presidential candidates who receive FEC funds to debate three times and their vice presidential running mates to debate once. The CPD does not support this approach and has made its objections known to the sponsors.

As I indicated to you in some detail in my letter of May 28, the Kennedy School of Government at Harvard is pushing a plan proposed by President Bush's nephew, John Ellis, which would have the candidates engage in two full-fledged debates, two 15 - 30 minute addresses to the nation, and six live news conferences each Sunday between Labor Day and the election. The CPD also does not support this Kennedy School proposal.

As noted above, the CPD is well into the planning process for 1992, and we are extremely pleased with the progress made to date. We anticipate that sometime this fall we will be announcing our proposed dates and sites for two presidential and one vice presidential debate between Labor Day and Election Day 1992. I will, of course, notify you well in advance of the date of any such announcement. I also expect that the CPD will be proposing that a new format for one or more of the debates be implemented which would result in a change from the traditional "meet the press" type panel to a more classical debate between the two candidates themselves with just a moderator keeping time.

Mr. Andrew H. Card, Jr.
August 15, 1991
Page 7

Every group that has formally or informally reviewed and studied the debate process over the last two years has unanimously recommended that some modification of the debate format be made.

I want to emphasize strongly and clearly that the CPD is well aware, with regard to the 1992 debates, that the question of whether debates will be held, how many, where, when, and the format of same will not be finally determined until President Bush and the eventual Democratic nominee have conferred about same and made a decision. The CPD, however, will go forward with its planning so that the infrastructure will be in place to implement whatever decision President Bush and the Democratic nominee makes. We look forward to keeping the candidates and their staffs briefed on our activities and to discussing specific issues with them at the appropriate time during the election year.

If you have any questions whatsoever concerning our activities, please do not hesitate to contact me.

Kindest personal regards,



Frank J. Fahrenkopf, Jr.

FJF:gat
Enclosure

8120T

cc: Clayton Yeutter
Robert Teeter

THE WHITE HOUSE

8-23-91

Dear Neil-

Thank you for your note alerting me to Dick Richard's interest in having Art Wagner attend a State Dinner. I will share the information with the appropriate people.

Sincerely, Andy

THE WHITE HOUSE
WASHINGTON

Mr. Neil M. Bush
TransMedia Communications
Suite 1750
1800 West Loop South
Houston, Texas 77027

bcc: Laurie Firestone

NEIL MALLON BUSH

8.15.91

Dear Andy,

Dick Richards has written a request as per the enclosed letter that Art Weyner, President Pratt & Whitney be invited to an upcoming state dinner.

Dick is a very good man. It would be great if something could be done.

Thanks
Neil

RICHARD RICHARDS
ATTORNEY AT LAW

1025 THOMAS JEFFERSON STREET, N.W.
SUITE 105
WASHINGTON, D.C. 20007

TELEPHONE: (202) 342-3830
FAX: (202) 342-0650

OF COUNSEL
BENTON L. BECKER
CORAL GABLES, FL

July 25, 1991

Mr. Neil Bush
410 17th Street
Suite 810
Denver, Colorado 80202

Dear Neil:

Hope everything is going well for you now. Let me know if you need anything.

I am following up on our last conversation regarding Mr. Art Wegner, President, Pratt & Whitney. We would like to have Mr. and Mrs. Wegner invited to an upcoming White House State Dinner. Your assistance would be very much appreciated. If you could pass the word along to whomever in the White House. If anyone has any questions, have them contact me.

The following is the information they probably will need:


Mr. and Mrs. Arthur E. (Art) Wegner
Home:
24 Ferry Lane
Simsbury, Connecticut 06070

Wife: Pat

Home phone number: 203/651-3359

Thank you for your help on this matter.

Best personal regards,


Richard Richards

THE WHITE HOUSE

7/22/91

Dear David -

Thank you for your letter. We'll talk at the event in honor of Bruce Stebbins.

Until then ...

Sincerely,
Andy

THE WHITE HOUSE
WASHINGTON

David V. Foster
3980 Langley Court, N.W.
Washington, D.C.

Unit C-609

20016

AC HAS SEEN
RECEIVED
JUL 22 1991

July 22, 1991

The Honorable Andrew H. Card
Assistant to the President and
Deputy to the Chief of Staff
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

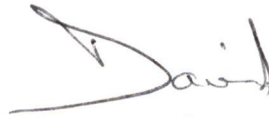
Dear Don Andy,

I look forward to saying hello to you at Bruce's fundraiser. David Carney said that you were doing well when I had lunch with him a few weeks ago. Ron K. must be pleased that the Massachusetts Democratic Party has now dropped the suit against him.

I do not know if Ron K. has had a chance to mention to you that I have started to look to get promoted within the Administration. Just recently, I met with Leslie Norwalk of Presidential Personnel and got the process started. I hope that as I get further into the process, I can call to ask you for your support. We all appreciate the terrific job you are doing for the President.

See you on Wednesday.

Sincerely,



David V. Foster

Enclosure (resume)

DAVID V. FOSTER

3980 Langley Court, N.W. Unit C-609
Washington, D.C. 20016
(202) 245-6318 (Work)
(202) 244-3861 (Home)

EXPERIENCE:

Department of Health and Human Services

Washington, D.C. 1989 - Present

Special Assistant to the General Counsel

Act as aide to General Counsel who directs the activities of more than 475 attorneys.

- o Legal projects on all matters within the jurisdiction of the Department of Health and Human Services, including the Health Care Financing Administration, the Food and Drug Administration, the Public Health Service, the Social Security Administration, and the Administration for Children and Families. Write appellate briefs defending major policies of the Department.
- o Serve as the General Counsel's representative on highly sensitive political issues involving matters of national import.
- o Review of Departmental regulations, reports and other issuances for legal sufficiency.
- o Recruitment of attorneys and summer law clerks.
- o Served as Acting Deputy General Counsel/Legal Counsel (September 1990 - March 1991).

The White House

Office of Legal Counsel

Washington, D.C. July - August, 1990

Attorney

Recommended clearance of high-level nominees and appointees to the Bush Administration. Interviewed nominees and appointees and reviewed their financial disclosure and personal data forms for conflicts of interest and other matters of concern.

George Bush for President Campaign

Washington, D.C. 1987 - 1988

Research Director

Gathered information and wrote reports on Governor Michael Dukakis, his policies and administration.

Executive Director

Ran Massachusetts campaign during summer. Attended Republican National Convention in New Orleans.

Field Director

Spent seven months in New Hampshire preparing for primary. Traveled with the campaign after the primary.

DAVID V. FOSTER
(202) 245-6318 (Work)
(202) 244-3861 (Home)

EXPERIENCE: (Continued)

Haussermann, Davison & Shattuck
Boston, Massachusetts 1985 - 1987

Attorney

Corporate practice. Specialized in the buying and selling of closely-held businesses. Other areas of practice include: securities regulation, public offerings and tax. Member of Administrative Advisory Committee.

Gaston & Snow
Boston, Massachusetts Spring 1985

Law Clerk

Researched and drafted legal memoranda and briefs for large securities suit. Also, researched for annual securities law conference.

Haussermann, Davison & Shattuck
Boston, Massachusetts Fall 1984

Law Clerk

Researched and drafted legal memoranda in such areas as antitrust, personal injury, contracts, securities regulation, hazardous waste, criminal, probate, public utilities, tax and real estate syndication.

Honorable Walter J. Skinner
United States District Court of Massachusetts
Boston, Massachusetts Spring 1984

Intern

Researched and drafted legal memoranda and opinions in such areas as personal jurisdiction, contracts, conflict of laws, right-to-jury trial in pension fund and foreign corporation litigation, social security and prisoners' rights.

EDUCATION:

Northeastern University School of Law
Boston, Massachusetts 1982 - 1985 J.D. Degree

Bowdoin College
Brunswick, Maine 1977 - 1981 B.A. Degree
Graduated *magna cum laude*

REFERENCES:

Michael J. Astrue (202) 245-7741
General Counsel
Department of Health and Human Services
Room 722A, Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201

Susan K. Zagame (202) 245-6318
Deputy General Counsel/Legal Counsel
Department of Health and Human Services
Room 707F, Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201

Amy L. Schwartz (202) 647-1780
Deputy Assistant Secretary
Bureau of Human Rights and
Humanitarian Affairs
2201 C Street, N.W.
Washington, D.C. 20520

Andrew H. Card, Jr. (202) 456-2533
Deputy to the Chief of Staff
The White House
Washington, D.C. 20500

Ronald C. Kaufman (202) 456-2135
Deputy Assistant to the President
for Political Affairs
Room 134A, OEOB
Washington, D.C. 20500

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	Terri Dominguez to Andrew H. Card, Jr., Re: National Conference of Bar Examiners applicant fitness report for David V. Foster. (1 pp.)	07/24/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, Office of the
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Correspondence--F [1]

Date Closed: 3/25/2025	OA/ID Number: 04883-006a
FOIA/SYS Case #: 2025-0373-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

Deed of Gift Restrictions

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

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

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

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