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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Chief of Staff, White House Office of
Series: Skinner, Sam, Files
Subseries:

OA/ID Number: 40921
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Folder Title:
Memos - 8/92

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01a. Memo	From Scott Collins to Sam Skinner Re Employment impact of weapons sales (4 pp.)	8/14/92	P-5	
Open on Expiration of PRA (Document Follows) By <u>SL</u> (NLGB) on <u>4/5/05</u>				

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff to the President, Office of the
Series: Skinner, Samuel
Subseries:
WHORM Cat.:
File Location: Memos August 1992

Date Closed:	11/26/2004	OA/ID Number:	05826
FOIA/SYS Case #:	1999-0277-F	Appeal Case #:	
Re-review Case #:	2005-0368-S	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

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

PRM. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE

WASHINGTON

August 14, 1992

file

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: SCOTT COLLINS *SCC*

SUBJECT: Employment impact of weapons sales

At your direction, I met with representatives of McDonnell Douglas and General Dynamics to learn the employment impact of three pending proposed sales of U.S. weapons to foreign governments. I gathered the following information:

I. F-15 fighters to Saudi Arabia

Saudi Arabia is seeking to buy 72 F-15 fighters manufactured by McDonnell Douglas, Hughes Aircraft and Pratt & Whitney. Administration and Congressional support are needed.

The F-15 program supports 40,000 direct¹ jobs. However, currently there is only one outstanding order for the F-15, and, with no new orders on the horizon, approximately 7000 jobs have been lost since the fourth quarter of 1991. See attachment 1.

Without approval of the Saudi deal, approximately 8000 to 10,000 additional jobs will be lost between now and the end of the year. And by the end of 1994, a total of 35,000 jobs will have been lost. Geographically, these job losses will occur primarily in the following states:

<u>State</u>	<u>Total direct jobs²</u>
Missouri	10,000
California	6,200
Connecticut	2,200
Oklahoma	2,000
New York	1,100
Illinois	900

II. M1A2 tanks

General Dynamics is seeking support for three separate sales of M1A2 tanks -- (1) a firm order from Saudi Arabia, (2) an

"Direct" refers to manufacturing and supplier jobs, and does not include multiplier effects on employment in the rest of the economy.

²These numbers are conservative estimates, reflecting only the 2/3 of the total of 40,000 direct jobs that can be accurately allocated.

anticipated order from Kuwait, and (3) upgrading of the U.S. tank fleet -- totaling 2700 tanks.

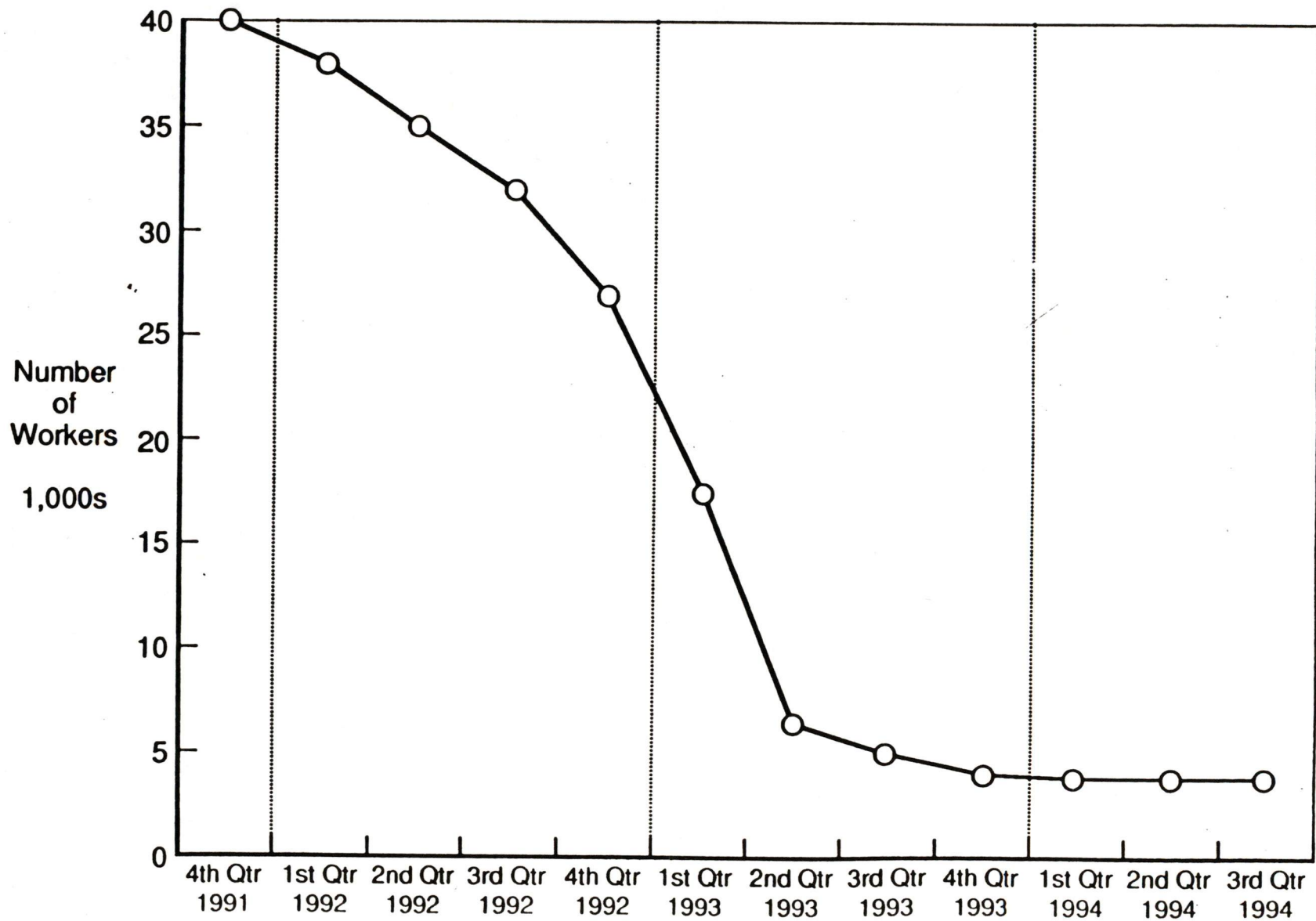
This program will sustain 30,000 direct jobs. Without it, the vast majority of these jobs will be lost, at a fairly constant rate, over the next two years, starting with front-end engineers and professionals and ending with assembly jobs. Jobs are already starting to go at smaller suppliers and in the ranks of the engineers and professionals at General Dynamics. The next cuts will be at the larger, hi-tech suppliers: Hughes in California and Texas Instruments in Texas. Then the engine manufacturers will begin to cut jobs: Textron-Lycoming in Connecticut, and Allison/GM in Michigan. Finally, in late 1993 and early 1994, the General Dynamics assembly jobs will be lost in Pennsylvania and Ohio.

III. F-16 fighters to Taiwan

Taiwan would like to purchase approximately 150 U.S. F-16 fighters. The U.S. has repeatedly denied such sales to Taiwan, and now the Taiwanese government is negotiating for a large Mirage purchase from France.

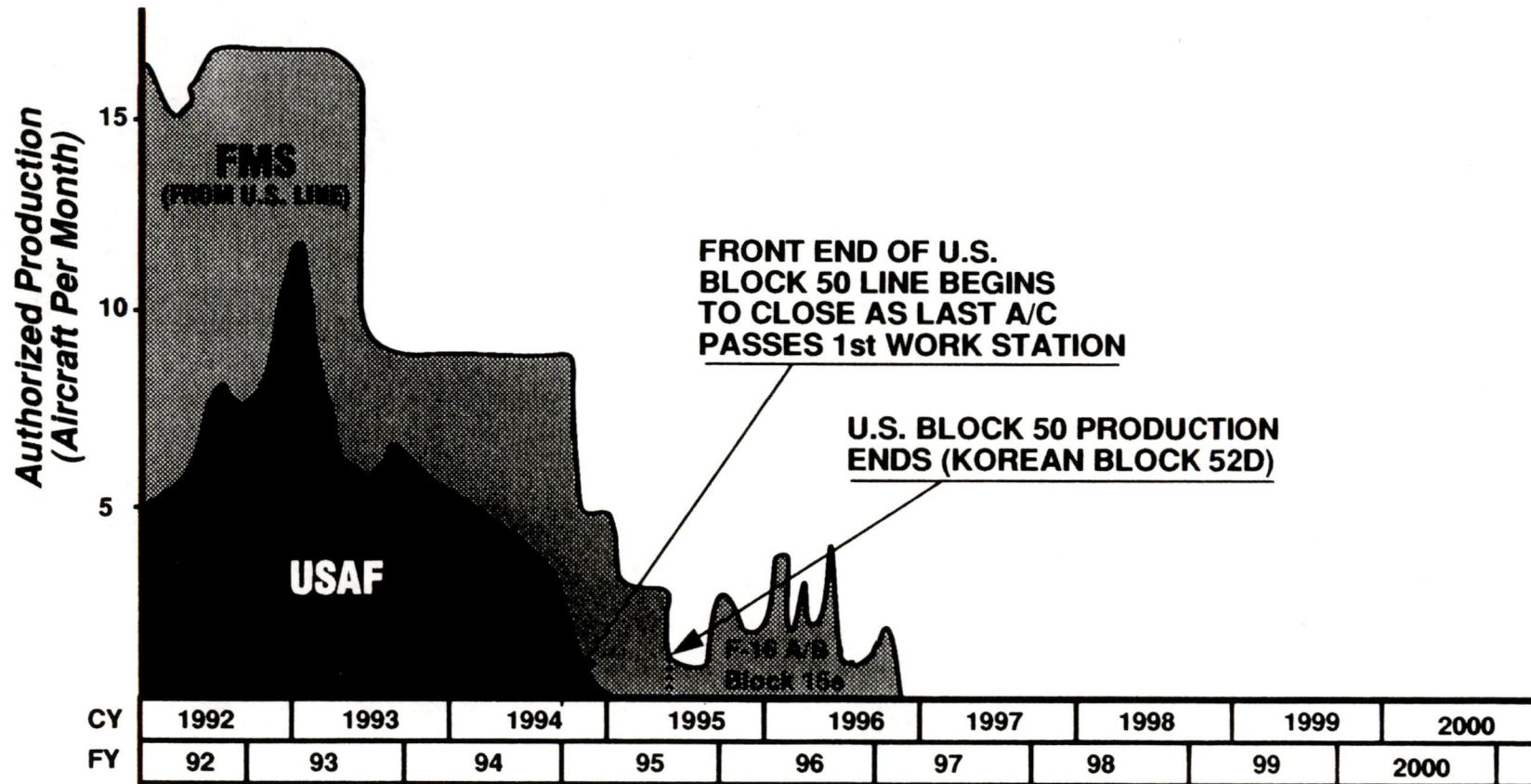
The F-16 sales to Taiwan would sustain 11,000 direct jobs. If the sale continues to be blocked, F-16 production will fall off sharply, ceasing altogether in 1996. See attachment 2. The result will be gradual layoffs, beginning now, and continuing steadily for the next three to four years, until most of these 11,000 jobs are lost. Already, General Dynamics' Texas plant has announced plans to lay off 5800 employees between now and 1994. If the Taiwan sale were authorized, General Dynamics says that 3000 of these jobs would be saved. The principal locations of F-16 manufacturing and supplier work are Texas (General Dynamics), Connecticut (Pratt & Whitney), and California (various computer firms).

F-15 U.S. Workforce Impact



U.S. Production Ends In 1996

(F-16)



Attachment 2

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01b. Memo	From Dick Richards to Sam Skinner Re Jobs - A major campaign issue (3 pp.)	7/20/92	P-5 Open on Expiration of PRA (Document Follows) By <u>EU</u> (NLGB) on <u>4/5/05</u>	

Collection:

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Office: Chief of Staff to the President, Office of the
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BENTON L. BECKER
CORAL GABLES, FL

July 20, 1992

DCF HAS SEEN

7/21
Show me
in two
weeks.MEMORANDUM FOR SAMUEL SKINNER
CHIEF OF STAFF TO THE PRESIDENT
THE WHITE HOUSE

FROM: DICK RICHARDS

SUBJECT: JOBS - A MAJOR CAMPAIGN ISSUE

It is my belief that in order for Bush to run a successful campaign, he must get large numbers of the American electorate involved in his campaign in a vigorous, enthusiastic, and meaningful way.

To recruit large numbers of people, there must be a message, an issue that excites them, that puts a fire in their belly and causes them to expend their time and energy and resources.

That issue is "JOBS." Jobs are, in my opinion, the unquestioned, number one issue in the minds of most Americans today. Not only those who are unemployed, but those who anticipate unemployment or who have family, friends and relatives who are unemployed or who foresee more unemployment in the future because of cutbacks in the ranks of the military, defense spending, and of course, the automatic fallout from a loss of large numbers of defense and military jobs.

The theme for the campaign could very well be, "Elect Bush to preserve jobs", "Help the President save American jobs", or any number of variations from it. Consistent with that theme the President must do some very specific things that will preserve or generate new jobs. There are several programs that are pending right now that would have material bearing on that. For example:

- I. Saudi Arabia requested to purchase 72 F-15 fighters manufactured by McDonnell Douglas, Hughes Aircraft and Pratt & Whitney. These three companies have gone to a great deal of effort and expense to put on a public relations campaign to save the 40,000 direct jobs directly associated with this contract. Five labor unions have been intimately involved in the project. Thousands of letters have been written to the President, the White House staff and to Congress. It is my belief that the Saudi Arabian request should be honored and as soon as possible, particularly prior to the Republican National Convention. When it is done, the announcement of sending the proposal to Congress should be done in a way to get the maximum political benefit. I suggest the following:

- A. Make the announcement of sending the request to Capitol Hill at the McDonnell Douglas facility in St. Louis, Missouri, where the largest number of employees involved in the project are located. (McDonnell Douglas could guarantee an audience of over 40,000 people to hear the President make that announcement.)

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- B. When he does this event, it could become a pep rally for the President and I think it would play the same kind of a role in the Bush Campaign that Ronald Reagan's Whistle Stop, on the train utilized by Harry Truman for that same purpose many years earlier. It gave a great psychological boost to President Reagan to meet the thousands and hundreds of thousands of people who were cheering him on and put new life in the campaign. I believe the exact same impact will be given to George Bush.
- C. Obviously, a very important part of this announcement would be his reasons why in a good tough leadership type speech, such as:
1. It is good foreign policy to stabilize the region.
 2. It is good defense policy to guarantee that we maintain our industrial base in the event of future conflicts, such as the Desert Storm.
 3. It is good economic policy because it preserves jobs for the 40,000 jobs that involves some 100,000 people in 40,000 separate households who are making mortgage payments, buying automobiles and television sets and providing educational opportunities for their children, etc.
 4. This gives the President an opportunity to show that as long "as he is President that the foreign policy decisions of this country will be made based upon what is good for America and the American people."

Following this kind of announcement-rally at McDonnell Douglas, the same kind of appearance could be made and should be made in southern California at the Hughes Aircraft facility where the aerospace industry and the defense industry is suffering great damage. Other defense contractors, subcontractors, etc. could be brought to that same rally.

The engine maker of the F-15 is Pratt & Whitney with their facilities in Connecticut and Florida with some 6,000 to 8,000 employees in Florida. (These companies will cooperate to the greatest extent and provide an audience and a favorable setting for such an announcement.)

- II. Another major job producing activity on the horizon is General Dynamics' M1A1 tank sale. General Dynamics has already received approval from Congress to sell \$5.8 billion worth of tanks to Saudi Arabia, with anticipated orders to Kuwait, Sweden, and the United Arab Emirates.

General Dynamics estimates that the market for these tanks is nearly 2800 tanks all manufactured in the United States, creating an estimated 875,000 man years of employment, \$43 billion in income with \$12 billion returned to the United States Government in revenues. This potential contract would supply almost 100,000 man years of employment in California, 67,000 man years of employment in Texas, 91,000 man years of employment in Ohio, and 47,000 man years of employment in Illinois, with subcontractors in nearly every state in the Union. Administration approval of this sale would generate the same kind of rallies in the states heretofore mentioned.

Page 3

III. A third potential source of jobs is tied up in foreign policy considerations in Taiwan. The representatives of the Government of Taiwan came to the United States in June 1992, as they have done for many years and requested permission to buy a sophisticated American aircraft. We turned them down, as we have previously done. Since that time, they have announced that they will buy 60 French Mirage high performance aircraft for a cost in excess of \$3 billion. They do not want the French aircraft, they want the American aircraft. In the event we refuse to sell them, they will in turn purchase another 120 aircraft over the next 6 years, making a total purchase from the French in something in excess of \$10 billion in aircraft, which could have clearly been \$10 billion worth of American aircraft sold by McDonnell Douglas, General Dynamics, or Grumman Aircraft. They all make a highly sophisticated fighter plane and McDonnell Douglas in conjunction with British Aerospace, makes one that is less threatening to the Chinese, i.e. the Harrier, which is two-thirds made by American workers (McDonnell Douglas).

The criticism we will get from our opponents is that we are letting a foreign policy consideration, the desire not to offend the PRC to stand in the way of billions of dollars worth of American aircraft and thousands of full time jobs for years to come. If we give up our opportunity to sell aircraft to Taiwan now, we are withdrawing from that market for decades to come as we did in Saudi Arabia when we refused to make an appropriate sale and the British sold 14 billions pounds worth of Tornados and other British aircraft.

Each of these potential sales provides an opportunity to make jobs a major issue, to show President Bush as a leader in preserving American jobs. The F-15 sale provides the best opportunity, because once the decision is made to make that sale, the President must submit the proposal to Congress, who is already on record opposing the sale and they have 60 days in which to object. This gives the campaign a 60 day window to recruit volunteers and enlist them to help the President save American jobs. Numerous specific tasks can be outlined for them, such as, get petitions signed to support President Bush on the F-15 sale and the preservation of 40,000 jobs, write a letter to your congressman and encourage him to support the President on this sale, write letters to the editor, place signs in your window, place bumper stickers on your car, hold rallies, give speeches, distribute literature, etc. You are only limited by your imagination on what could be done in support of the President on such a project.

SUMMARY

These efforts would focus on the primary concern of most American people today, that is, economic matter, i.e. jobs. It shows the President is THE LEADER to preserve American jobs. It provides a vehicle by which we can recruit volunteers and put them to meaningful work. It provides us an opportunity to hold announcements-rallies in areas that are hard hit by unemployment today, who would welcome open arms any optimistic message. Properly staged, these events could be tremendously powerful campaign rallies. It gives us direct access to thousands of workers we have not previously had and enlists the major companies to support us.

It may well be that policy considerations will not allow all things mentioned herein, but they are all exceptionally good prospects and I am sure there are others out in the economic community of this country. We should also search for them.

THE WHITE HOUSE
WASHINGTON

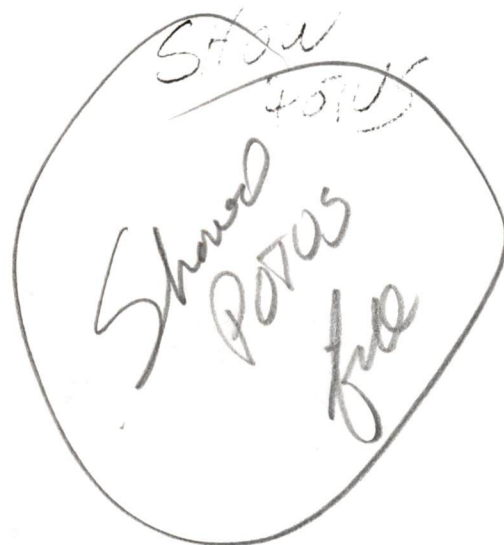
August 3, 1992

MEMORANDUM FOR SAMUEL K. SKINNER

FROM: CLAYTON YEUTTER *CY*

SUBJECT: REAGAN ALUMNI EVENT

Sam, Lou Cordia told me that the event with the Reagan alumni this past week stimulated more than one hundred follow up phone calls to him, almost all of which were highly complimentary. The Reagan alumni have been feeling ignored for a long time, but they obviously reacted with a huge surge of enthusiasm. You might want to share that positive response with President Bush.



THE WHITE HOUSE

WASHINGTON

August 25, 1992

MEMORANDUM FOR TIM MCBRIDE

FROM: SAM SKINNER 
SUBJECT: TERMINATION DATE AND RELATED MATTERS

I have spoken to Jim Baker and we agreed that my last day on government payroll would be Saturday, August 29, 1992. I will start at the RNC on Sunday, August 30, 1992. Jim has approved Mess/Pass privileges similar to those currently held by Rich Bond. I would appreciate it if you would make the necessary arrangements. Greg Walden has indicated Counsel's approval.

cc: Greg Walden