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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: Zoellick, Robert, Files
Subseries: Chronological Files

OA/ID Number: 93002
Folder ID Number: 93002-007

Folder Title:
[Chron File: August to December 1992] [6]

Stack:	Row:	Section:	Shelf:	Position:
G	15	26	2	

DECLASSIFIED
PER NSC WAIVER 1500 2021-02
By SS NARA, Date 5/6/15

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

August 28, 1992

MEMORANDUM FOR BOB ZOELLICK

FROM: GARY BLUMENTHAL *Gary*
SUBJECT: Combined Wheat EEP Package

Jules Katz asked that I notify you that he achieved interagency agreement today on a package of EEP proposals offering almost 30 million tons of wheat to 28 countries. It is a package that will be well received in farm country and worthy of Presidential announcement.

While it appears we are planning to subsidize the rough equivalent of our entire annual wheat exports, actual sales have always fallen short of the total offers announced. Nonetheless, total subsidized sales of wheat last year were approximately 17 million tons and this will be viewed as an aggressive stance. It should be characterized as a reflection of the seriousness with which the President views the GATT Trigger and the goal of countering the European Community's export subsidies.

Because it will be difficult to keep this package from leaking, it is important that an appropriate event soon be found to announce it. I have talked to Gary Foster about a Midwest location, perhaps Denver on Wednesday. The President is supposed to announce the farm disaster assistance package in Lubbock on Wednesday morning and could announce the EEP package later that day. It is preferable that he announce it somewhere in wheat country.

Unless you object, I will be working on a press statement and perhaps a fact sheet.

Attachment

- 8/29 Urgent*
- Gary*
- ① Thanks for proceeding with the fact sheet & statement, but pls work closely with Bob Grady, who's doing the associated speech.
 - ② There needs to fit with FBI's objective of open markets & trade agreements. pts shld be (a) we want to compete, but insist on a fair go & so we won't leave our farmers in the lurch given EC subsidies; & (b) objective is still to cut everybody's subsidies thru a global trade agreement (UR) which w/ reach
 - ③ Need an explanation of why were now hatching. I suggest: Trade talks at a key pt; we want to signal scope of our resolve. Also, parallels EC approach (check)
 - ④ Need to explain be ready to answer why not doing for other crops. Perhaps say wheat is the biggest & we don't foreclose

cc Bob Grady

L. Pls return 2 copies

was not Sat. a.m.

doing for others
⑤ Also, I presume we want to say this doesn't rule out more wheat if appropriate
⑥ As for event, we may be in Texas, but we can look at regional hookups. I'll look into this

Thk RBZ

★ Market Sensitive ★

"Unofficial Outcome" 8/28/92

Wheat EEP: Proposed Package

~~CONFIDENTIAL~~

Group I:

Program Level

Algeria	1,750
Bangladesh	700
Bahrain	25
China	7,000
Cyprus	50
East Europe (Durum)	140
Egypt	3,500
*India	1,500
Jordan	600
Kuwait	150
Lebanon	160
Malta	50
Morocco	1,000
Norway	150
Philippines	1,200
Sri Lanka	500
Trinidad & Tobago	125
Tunisia	300
FSU	5,500
Venezuela	400
West & Central Africa	1,000
Yemen	600
Subtotal	<u>26,400</u>

Group II:

*Brazil	<u>500</u>
Kenya	100
Pakistan	800
Poland (Non-durum)	400
Romania (Non-durum)	500
South Africa	400

Subtotal 2,900

TOTAL 29,300

Brazil & India 2,200

TOTAL (Excluding Brazil & India) 27,100

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cc Bob Grady

dealing for others
⑤ Also, I presume we want to say to doesn't rule out more wheat support
⑥ As for event, we may be in Texas but we can look at regional bookings. I think
TRK RBZ

★ Market Sensitive ★

"Unofficial Outcome" 8/28/92

Wheat EEP: Proposed Package

~~CONFIDENTIAL~~

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Norway	150
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Trinidad & Tobago	125
Tunisia	300
FSU	5,500
Venezuela	400
West & Central Africa	1,000
Yemen	600
Subtotal	<u>26,400</u>

Group II:

*Brazil	500
Kenya	100
Pakistan	800
Poland (Non-durum)	400
Romania (Non-durum)	500
South Africa	400
Subtotal	<u>2,900</u>

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TRK
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Wheat EEP: Proposed Package

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Group II:

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Kenya	100
Pakistan	800
Poland (Non-durum)	400
Romania (Non-durum)	500
South Africa	400
Subtotal	<u>2,700</u>

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DECLASSIFIED
PER NSC WAIVER 1500 2021-02
By SS NARA, Date 5/6/25

THE WHITE HOUSE
WASHINGTON

DATE: 8/27/92

TO: Bob Zoellick

FROM: W. HENSON MOORE
Deputy Chief of Staff to the President
~~Assistant~~

I agree with the attached.

[Signature]

8/28 noon

TD → Henson Moore

① I concur

② Could you please supervise the drafting of the letter? You may wish to ask Tony Snow to help

③ These pls run thru Staff Secretary

Thks
Bob Z
cc Phil Brady

EXECUTIVE OFFICE OF THE PRESIDENT

27-Aug-1992 11:20am

TO: W. Henson Moore

FROM: Clifford T. Alderman *CFA*
Intergovernmental Affairs

SUBJECT: Connecticut

In talking to one of my state legislative contacts for Connecticut, they relayed to me that the President's visit to Ansonia, Connecticut, was cut short so that the President could visit storm damaged areas in Florida.

At Nolan Field, where a campaign rally was held, approximately 10,000 people waited in the sun and hot, humid weather for up to five hours to see the President, only to see him speak for a few seconds and then leave to go to Florida.

People generally understood why he had to leave, but were nonetheless disappointed that the President was there for such a short time.

The local paper, The Evening Sentinel, even put out a special edition to honor the President's visit, which is unprecedented for Connecticut.

My contact suggested that a good way to make up for the President's abbreviated visit would be for a Presidential letter to be published in the Sentinel expressing his regret at being called away, but informing the people of how important it was that he visit the damaged areas in Florida.

It would be an easy way to get positive press and stress his "I care" message that he used in Louisiana yesterday.

8/27 pm

To Henson Moore

(1) Thrs. I relayed to JAB & Andy Carl.

EXECUTIVE OFFICE OF THE PRESIDENT

27-Aug-1992 03:16pm

R82

TO: W. Henson Moore
FROM: Clifford T. Alderman *CTA*
Intergovernmental Affairs
SUBJECT: Florida

(2) Maybe we can get a slight benefit if you ^{your} call them office call them & say we ~~are~~ did send in

I just recieved a call from Ned Monroe, the executive director of the Florida Republican Party. He asked that I relay the following message on to my superiors:

He wanted to pass on that the local officials in the areas affected by Hurricane Andrew are in total disaray and the situation is deteriorating to the point that people are traveling with guns and they expect rioting to begin soon.

He said there is a desparate need to send in the army, to build a tent city for homeless people, and to bring in tanker trucks with water.

He said that the local media are all starting to blame the President for the current disorganization of the recovery effort.

If you want to talk to Ned about this, he can be reached at (904) 222-7920.

He Fed'l troops as they suggested
(even the same day)

Bob —

I have heard the same report from Van Poole,
Chairman of the Florida Republican Party.

unsm

just
his
reaction

August 27, 1992

Memo to: Bob Zoellick

From: David Demarest

Subject: Washington State Visit on August 31

Just talked with a friend from Boise Cascade regarding points the President should make in any presentation while addressing the jobs/endangered species act issue in Washington State.

1. The President should say something must be done about "frivolous" appeals of lumber sales off Forest Service land. He argues that people with "no standing" are able to hold up legitimate lumber sales. He is advocating denying anyone of constitutional rights, but the frivolous nature of many of these actions -- i.e. college students writing a post card to the Appeals judge is clearly in need of attention/reform.
2. The President should support "increased funding of salvage sales. He claims that environmentalists oppose the sale of timber that is in areas ravaged by forest fires -- in effect dead timber that is just left to rot in the woods. With the high number of recent forest fires the sale of salvage wood could help a depressed local economy.
3. The President should announce that "an economic formula be included in amendments to the Endangered Species Act."

I don't know where things stand in the policy world on any of these issues but I'll follow up. Thought you should have the benefit of his suggestions as you look at the speeches for both Washington and Oregon.

cc: Steve Provost
Marla Donohue

8/27
To → Bob Grady
RyI
RBE

RBZ
cg

THE WHITE HOUSE

WASHINGTON

August 26, 1992

MEMORANDUM FOR THE POLICY COORDINATING GROUP

FROM: J. FRENCH HILL *J.F.H.*
Executive Secretary

SUBJECT: Meeting to Discuss Follow-up to UNCED

Secretary Yeutter will chair a Cabinet-level meeting on the status of UNCED follow-up on Monday, August 31, 1992 at 2:00 P.M. in the Roosevelt Room. The meeting will last one hour.

Please find attached an agenda for the meeting. Feel free to call me on 456-7968 should you have any questions.

- Urgent*
- ① To - Dennis Ross
You shld be able to attend these 4/11 get a report
 - ② ~~Bob~~ Linda:
③ Ask French Hill for a brief note on what this meeting is supposed to get done
(I'd like to know in advance -- cos Fr.)
 - ④ I also want a note summarizing what happened

AGENDA

Policy Coordinating Group

Monday, August 31, 1992

2:00 P.M.

Roosevelt Room

Meeting to Discuss UNCED Follow-up

- 1. Public Liaison Coordination**
- 2. Agenda 21**
- 3. Forestry Initiative**
- 4. Technology Corps**
- 5. Biodiversity Research Plan**
- 6. Climate Change Convention**
- 7. Other Issues**

PCG Meeting
Follow-Up on UNCED
Roosevelt Room, 2:00 P.M.
August 31, 1992

Attendees:

Secretary Clayton Yeutter
Acting Secretary Eagleburger
Assistant Secretary Olin Wethington
(Representing Secretary Brady)
Assistant Secretary Linda Stuntz
(Representing Secretary Watkins)
Chief of Staff Tom Weimer
(Representing Secretary Lujan)
Chief of Staff Bill O'Connor
(Representing Secretary Madigan)
Associate Director Bob Grady
(Representing Director Darman)

Chairman Michael Boskin
Chairman Michael Deland
Director D. Alan Bromley
Deputy Administrator Hank Habicht
(Representing Administrator Reilly)

Admiral Jonathan Howe
(Representing General Scowcroft)
Bill Kristol
Robert Zoellick
John Schmitz
Ede Holiday
Roger Porter

Teresa Gorman
Todd Buchholz

*file
copy*

THE WHITE HOUSE

WASHINGTON

August 25, 1992

MEMORANDUM FOR BOB GRADY

FROM: BOB ZOELLICK
SUBJECT: Multi-Country Wheat
Export Initiative

Please give me a call about this.
I want to encourage the possibility
of using it in some form as early
as next week. Jules Katz is
looking at it for me today
{Tuesday} and will give me some
initial feedback on Wednesday.

*Thanks,
as we discussed
Bob*

MULTI-COUNTRY WHEAT EXPORT INITIATIVE

Background:

Wheat producers and exporters have been critical of the relatively slow pace of wheat exports this marketing year.

- o So far this marketing year (June-May), total wheat export commitments are running 25% behind the pace of a year ago, and 28% behind the five-year average pace for this time of year.
- o Wheat prices have plunged in recent weeks. In contrast to highs in late winter above \$4.50, wheat futures prices have dipped below \$3 this month. Prices actually paid to farmers have been running below \$3, exacerbating Farm Belt discontent.
- o The wheat industry has been highly critical of delays in interagency approval of countries eligible for the Export Enhancement Program (EEP). For example, proposals are now pending at the Trade Policy Review Groups for Lebanon, Egypt, Brazil, India and others.

USDA Proposal

We have sent to the TPRG a proposal to offer EEP simultaneously to 33 countries or regions. The EEPs would be valid for the July 1992-June 1993 marketing year, and for that reason would replace some EEPs that are now available. Over 32 million metric tons of wheat would be offered for sale under this program, though we estimate actual sales at somewhat over 21 million tons because not all countries would fully use the EEPs they were offered.

This "global EEP" has been designed to leave room for traditional levels of sales by non-subsidizing exporters. Where appropriate and possible, we will continue to obtain assurances of such sales by importing countries as an added safeguard.

The list includes both countries that have previously been offered EEP (e.g., the former Soviet Union) and a few new countries. The latter, however, are traditional markets for U.S. wheat that, in USDA's judgment, all meet the criteria for EEP and are markets where EEP is needed if U.S. wheat producers are to have a chance at competing for sales.

Reasons for Proposal

We believe that this proposal should be approved because --

- o The proposal should be friendly to wheat prices. It will be read by the markets as a signal of renewed determination to be competitive in world markets and boost exports.
- o The proposal will be well-received by both farmers and exporters. It should end the criticism of the Administration

as unprepared to compete aggressively.

- o Sales opportunities are much less certain this year in our two biggest markets, the former Soviet Union and China, meaning that it is all the more important to maintain sales in other markets covered by this proposal.
- o The proposal will avoid sales losses that stem from EEPs that have expired and not yet been renewed by the TPRG. It will also provide greater certainty for our export industry in planning its business strategy, because the universe of EEP-eligible destinations will be known.
- o It will apply additional pressure on the European Community as we are endeavoring to bring the Uruguay Round to a successful conclusion.
- o The proposal would preserve the TPRG's role but remove the need for constant haggling over individual EEPs. The initiatives would be valid for the same period -- one year -- as at present.
- o The package approach will limit criticism of EEP by non-subsidizers to a single annual event, as opposed to the present situation where Australia and other countries attempt to intervene on multiple occasions each year. It may also limit the pressure on these governments since foreign press attention to EEP would likely be less frequent.

PRESIDENTIAL STATEMENT ON EEP ANNOUNCEMENT

U.S. wheat farmers depend on export markets for more than half of their sales. American wheat producers have been developing overseas markets for more than 30 years, and in a world of open trade there is no question that we would be the premier supplier of wheat to international markets. That doesn't just mean sales for U.S. farmers, it means export-created jobs for everyone from stevedores and longshoremen to grain merchandisers and workers in grain elevators.

Unfortunately, world wheat trade has been distorted by subsidies -- especially the export subsidies of the European Community. We have proposed to reduce subsidies worldwide -- our own included. But in the meantime, the Export Enhancement Program, which allows us to meet the European competition, is vitally important to U.S. farmers.

Today, I am announcing an EEP initiative to sell up to 32 million metric tons of wheat to 33 countries and regions around the world. This is by far the largest EEP initiative ever announced, and it charts our export course for the year ahead.

Today's announcement should leave no doubt in anyone's mind that I intend to pursue an aggressive export policy. It will also be a fair one: We are targeting those of our competitors who subsidize their exports, not the ones who do not. But I want the message to be loud and clear to American farmers, exporters and everyone else with a stake in the wheat industry: We are for open trade but we will fight for market share with countries that are not willing to reduce their export subsidies.

Wheat exports are crucial to U.S. farm income, the U.S. trade balance and economic activity throughout the nation. This broad-based EEP initiative will mean more exports, more income and more jobs.

Wheat EEP: Proposed Package

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Program Level

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Bahrain	25
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Cyprus	50
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Kuwait	150
Lebanon	200
Malta	50
Morocco	1,000
Norway	150
Philippines	1,200
Sri Lanka	500
Trinidad & Tobago	125
Tunisia	300
FSU	5,500
Venezuela	500
West & Central Africa	1,000
Yemen	600
Subtotal	<u>26,540</u>

Group II:

Andean Region	500
Brazil	1,200
Colombia	500
Indonesia	700
Kenya	100
Pakistan	800
Poland (Non-durum)	400
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South Africa	400
Sudan	NA
Syria	400
Subtotal	<u>5,500</u>

Chart

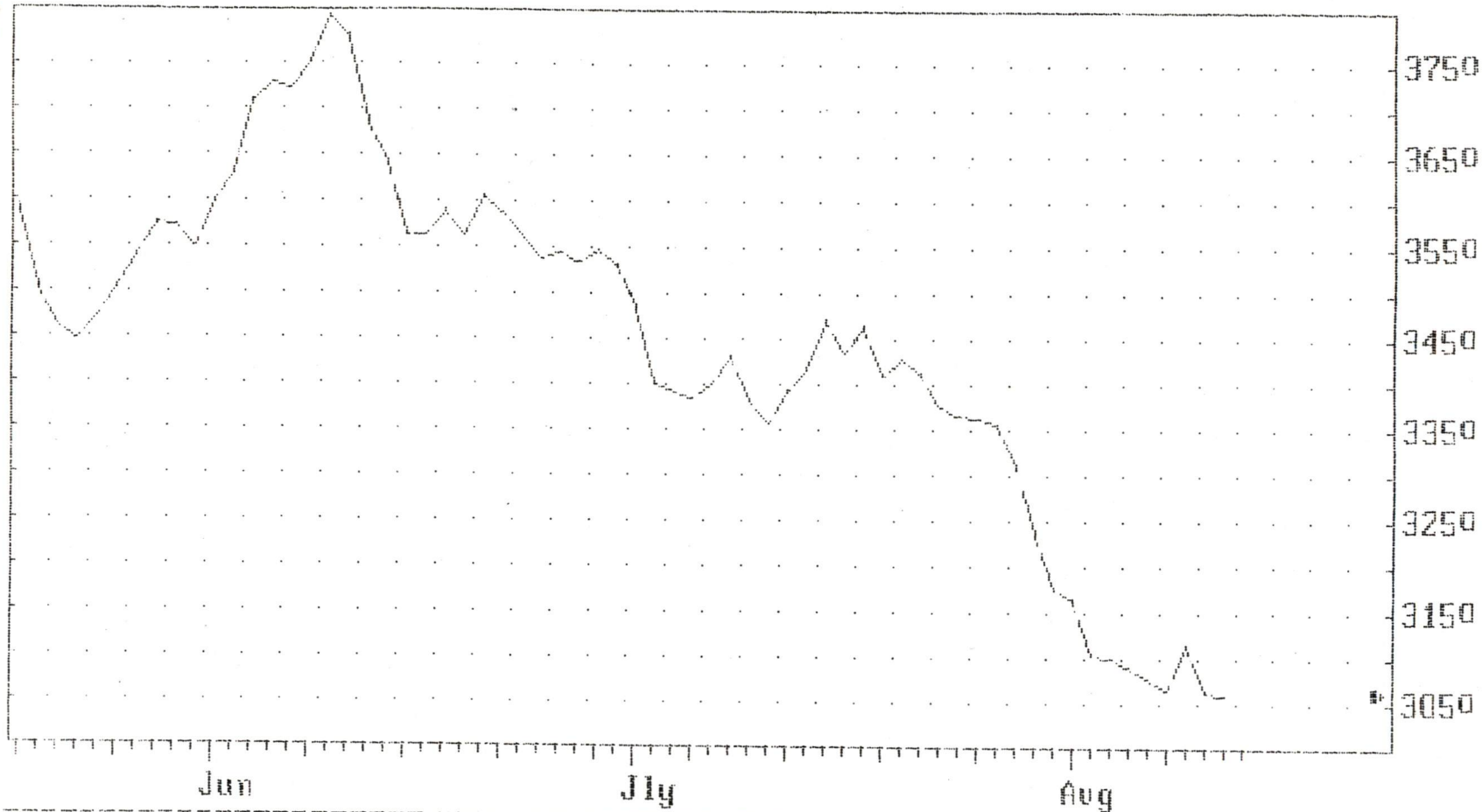
KNIGHT-RIDDER MoneyCenter

14-Aug-92 1:26P

012

SETTLE CHART

HI= 3090 LO= 3042 OI= 3062 TC= 128 3064 ↑ +06 1:21P



2767 1:25P Midam Aug 13 grains/soymeal volume and open interest--8/14--KRF
1200 1:15P European Stocks Review: Stocks stage comeback on economic data

MoneyCenter

THE WHITE HOUSE

WASHINGTON

August 27, 1992

MEMORANDUM FOR ROBERT ZOELLICK
DEPUTY CHIEF OF STAFF

FROM: W. HENSON MOORE *W. Henson Moore*
ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF INTERGOVERNMENTAL AFFAIRS

SUBJECT: Military Assistance to Florida

I just received a call from a retired Admiral informing me that the LDH2 ESSEX is in the Gulf of Mexico with full crew on a shakedown cruise which could be deployed to Florida and be there in a very short time.

The ESSEX has operating rooms and water desalinization capabilities, as well as temporary quarters for a substantial number of personnel.

8/27 pm

TO → Ede H. H. day

*Could you pl. relay this to Atwood for his consideration?
(but it's then call of course)*

RBZ

cc H. Moore

August 27, 1992

OFFICE OF GENERAL COUNSEL

Honorable Robert B. Zoellick
Deputy Chief of Staff
The White House
Washington, DC 20500

Dear Bob:

Subject: Hurricane Andrew - South Florida

Our Field people are reporting far more homelessness than previously thought and serious potential for the collapse of social order occasioned by an acute shortage of fresh water, food, shelter and toilet facilities.

Waiver of the Department of Housing and Urban Development (HUD) regulations to permit repairs to structures and "assessment of properties," by HUD employees are ongoing but totally inadequate at a time when people can't eat, drink and go to the bathroom.

The message from the Field: Find a czar. Put him in charge, and deliver the loaves and fishes.

Very sincerely yours,


Frank Keating
General Counsel

8/27

→ Ede H

- ① Pls follow up w. Frank K re housing today
② Pls tell him Andy Card is the Fedl Czar
THX RBZ

cc Janet Hale (OMB)
C

THE WHITE HOUSE
WASHINGTON

August 26, 1992

MEMORANDUM FOR ROBERT ZOELICK

FROM: EDE HOLIDAY

SUBJECT: Requested meeting on the PBGC/TWA situation

The Department of Labor requests a meeting on the potential PBGC crisis due to TWA's financial difficulties. At risk are 29,000 TWA jobs as well as potential PBGC losses of up to \$500 million. Labor believes that a meeting as soon as your schedule permits would be wise, given the political implications of the problem.

I would recommend the following attendees:

Robert Zoellick
Dennis Ross
Ede Holiday
Secretary of Labor (or Deputy Secretary in her absence)
Executive Director of PBGC, Jim Lockhart
Margaret Tutwiler

Please advise if and when you would like this meeting to be scheduled.

Thanks.

Attachment

cc: Dennis Ross

- 8/27 am
Ede
- Urgent
- ① It looks like they're offering a briefing, not requesting it
 - ② What's the issue to be decided? By when?
 - ③ In particular, what's the link between the H2 of the DOL memo? Is the issue that PBGC's negotiations with Icahn would kill the deal this saves the job? Is the problem that the TWA/In in deal leaves PBGC holding the bag?
 - ④ I have got to hold down meetings. I need to know the above before I can determine if I must do this

THW

cc D. Ross
T. Scully (OMB)

U.S. Department of Labor

Assistant Secretary for
Congressional and Intergovernmental Affairs
Washington, D.C. 20210



August 26, 1992

MEMORANDUM TO:

EDR HOLIDAY
SECRETARY OF THE CABINET

FROM:

Fran
FRAN McNAUGHT
ASSISTANT SECRETARY and
ACTING CHIEF OF STAFF

RE:

BRIEFING ON TWA SITUATION

Late Monday, TWA and its unions agreed to a proposal which would turn over ownership to its unions and creditors. This proposal, if carried out, would protect at least temporarily the 29,000 TWA jobs. This deal would eliminate Carl Icahn's responsibility for the TWA pensions, underfunded by \$1.2 billion. TWA could not afford these pensions under the proposal.

PBGC, which guarantees about half of the underfunding, is negotiating with Icahn for significant continuing support. If these negotiations are not successful, the outcome could be the termination of the plans, liquidation of TWA, Icahn's empire filing for bankruptcy and losses up to \$500 million for PBGC.

Under these circumstances, the Department would be happy to provide the Deputy Secretary (in the Secretary's absence) and the Executive Director of PBGC to brief appropriate members of the President's new team.

THE WHITE HOUSE
WASHINGTON

September 23, 1992

Mother
Teresa
file
Gy.

NOTE FOR ROSE ZAMARIA

FROM: R. ZOELLICK (RB)
RE: Mother Teresa's Request for Waiver of Visa Fees

Rose,

As I noted in my brief memo to you on September 18, 1992, I asked Boyden to explore with the acting Counselor of the State Department what options we might have in order to avoid another negative reply to Mother Teresa. They have come back with three.

The first is to obtain private donations, but Boyden states he would object to this possibility.

The second is to draw on a Presidential fund that I understand you administer.

The third option would be a "determination" that it is not "practicable" to charge the fees -- but State and Boyden note the problem in making this finding and the difficult precedent it would create. It would also appear to necessitate time-consuming Congressional consultation.

I have attached Boyden's memo and the State Department analysis.

I would appreciate your advice -- particularly on the somewhat appealing possibility that you could solve this problem by drawing on a fund that emphasizes the President's personal and high level interest in helping Mother Teresa.

THE WHITE HOUSE

WASHINGTON

September 21, 1992

MEMORANDUM FOR ROBERT ZOELICK

FROM:

C. BOYDEN GRAY *cmh*

SUBJECT:

Mother Teresa's Request for Waiver of Visa Fees

At your request, Ken Juster has reviewed Mother Teresa's visa problem and submitted a memorandum (Tab I) identifying three options. I am forwarding his memorandum to you and would appreciate your thoughts on which, if any, of the options you would like to explore.

Regarding Ken's first option -- obtaining private donations -- you should know that I would object to anyone on the White House staff soliciting potential donors on Mother Teresa's behalf. I would be less concerned, however, if another agency were to solicit on her behalf.

You might want to talk to Rose Zamaria about Ken's second option -- using the President's unanticipated needs fund -- as she administers that fund.

Ken's third option -- determining that it is not "practicable" to charge Mother Teresa's organization visa fees that correspond to India's fees -- probably can be done as a legal matter. State's reluctance to go this route is evident from Ken's memorandum, however. Further, I would note that the "impracticability" in this case would rest not on a claim that Mother Teresa is unable to pay the fees, but rather on her desire not to do so because she has better things for which to spend the money.

I will await your guidance on how to proceed.

Attachments

Tab A Juster Memorandum to Rademaker, September 19, 1992
Tab B Rademaker Memorandum to Juster, Sept 15, 1992

cc: Rose Zamaria

THE COUNSELOR
DEPARTMENT OF STATE
WASHINGTON

September 19, 1992

TO: Mr. Stephen G. Rademaker
Associate Counsel to the President
The White House

FROM: Kenneth I. Juster, ^{KJ} Acting

SUBJECT: Mother Teresa's Request for Waiver of Visa Fees

Summary

In response to your inquiry, we have examined Mother Teresa's request to the President for a waiver of U.S. visa fees currently imposed on Missionaries of Charity traveling on Indian passports. We have the best opportunity to accommodate her request by pursuing the following options in descending order of preference. First, the best approach would be for private individuals to make unsolicited payments defraying the visa costs. Second, the White House may decide to use money from the President's fund for unanticipated expenses in order to meet Mother Teresa's request. Finally, we do appear to possess somewhat broader discretion to set visa fees on a non-reciprocal basis than we have used to date, but we would need to analyze further several important policy and Congressional implications before exercising this discretion in the current case.

Any active government role would require that a clear government purpose justifies our actions, including any distinction we may choose to make between Missionaries of Charity and other religious and charitable organizations. In practice, we may have difficulty drawing lines among individuals wishing to enter the United States as well as problems explaining how it advances U.S. interests to reduce our leverage over India to lower the high charges U.S. missionaries must pay to travel to India. We would also need to ensure that any active government involvement has a clearly secular purpose, with its primary effect neither advancing nor interfering with religion.

Private Donations

Private citizens could appropriately make donations to Mother Teresa's organization to defray the cost of the visa fees or, alternatively, they could pay the Department directly. If payments are made directly to the Department, we would inform Mother Teresa of the donations and, absent her objection, would credit the funds against the future issuance of visas for members of her organization. To the degree the White House is receiving inquiries from private citizens on this matter, you can direct them to contact Assistant Secretary Tamposi's office at 647-9576.

If we are able to define a clear public purpose for preferentially assisting Mother Teresa's organization, the Administration could actually solicit private donations in a manner that avoids conflicts of interest.

The President's Fund for Unanticipated Expenses

3 USC §108 authorizes appropriations to the President:

"to enable the President, in his discretion, to meet unanticipated needs for the furtherance of the national interest, security or defense ... without regard to any provision of law ... regulating expenditures of government funds."

This provision appears to be available for a broad range of purposes that may include payment of unanticipated visa costs of private individuals when payment would further the national interest. The White House, of course, would have to make the determination whether the President's fund could be made available in this case.

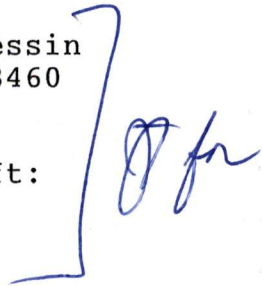
Setting Fees on a Non-Reciprocal Basis

8 USC §1351 provides that fees for non-immigrant visas shall be set by the Secretary "if practicable" in amounts corresponding to the fees set by foreign countries. Although we believe that in appropriate cases the Department may prescribe selected non-immigrant visa fees on a non-reciprocal basis, this would be a major departure from past practice, and the circumstances in which this might be done under current law are unclear. Before making such a change, we would want to consult with the Congress and to analyze carefully the policy implications. Accordingly, our preference would be not to pursue this option at this time unless you determine that it is absolutely necessary to do so.

Please let me know if we can be of further assistance.

Drafted:L:JHThessin
9/18/92 647-8460
SELFOC 177

Cleared in draft:
L:MMatheson
L/CA:CBrown
CA:BTamposi

A large handwritten bracket in blue ink is positioned to the right of the text blocks. Inside the bracket, there is a handwritten signature that appears to be "JH" or "JHT" followed by a flourish.

THE WHITE HOUSE
WASHINGTON

9/3 TO
September 3, 1992

MEMORANDUM FOR ROBERT B. ZOELLICK

FROM:

C. BOYDEN GRAY *gmh*

SUBJECT:

Response to Mother Teresa's Request for Waiver of
Visa Fees

Boyd
• Can we have a little more money?
• Is it one \$100 fee or many?
• Could we get a private sector contribution to cover it?
• If it's one \$100 fee, maybe we could take a collection here

R13E

Mother Teresa wrote to Rose Zamaria of the President's Immediate Office on August 5 to ask her to ask the President to waive the \$100 fee that Indian sisters in Mother Teresa's organization, the Missionaries of Charity, currently must pay to obtain U.S. visas (Tab B). These sisters come to the United States to work in homeless shelters and other facilities run by the Missionaries of Charity. Mother Teresa's letter complained that the \$100 fee imposes an undue burden on her organization.

According to Rose, upon learning of Mother Teresa's request, the President indicated that he wished to grant the request if at all possible. The President's reaction was communicated to Mother Teresa, who wrote the President on August 8 to thank him for waiving the \$100 fee for members of her organization (Tab C).

The \$100 fee, which applies to all Indian nationals seeking U.S. visas valid for one to five years, went into effect on November 1, 1991, when the Indian government imposed a comparable fee on U.S. nationals seeking Indian visas. The fee was imposed pursuant to 8 U.S.C. 1351, which generally requires that U.S. visa fees correspond to the fees that foreign governments charge U.S. nationals.

Mother Teresa had previously requested a waiver of the fee in a memorandum to Andy Card dated February 6, 1992 (Tab D). In a response dated March 16, Henson Moore informed her that we are required to set our visa fees on the basis of reciprocity, but stated that we were approaching the Indians in an effort to persuade them to reduce their fees (Tab E). That demarche and several others have failed.

The President has no legal authority to waive fees imposed pursuant to 8 U.S.C. 1351. My staff has explored this problem with the State Department, and together they have concluded that the most we can do is to make another demarche. So as not merely to repeat the demarche described in Henson Moore's letter, State has decided this time to focus on religious workers (Tab F). Should the Indians agree to exempt U.S. religious workers from

their new fees, we will be able to exempt Indian religious workers, including Indian sisters of the Missionaries of Charity. Your response to Mother Teresa (Tab A) explains this new demarche.

Your response also addresses one of the principal arguments set forth in Mother Teresa's August 5 letter. She points out that President Reagan granted a similar request from her organization in 1985. Your response explains that the 1985 request (Tab G) dealt with fees that the INS charges persons already in the United States, while the current request involves fees that the State Department charges visa applicants who are still in India. The statute under which the INS fees were charged (31 U.S.C. 9701) allowed flexibility for administrative waiver of the fees, but the statute under which the State Department fees are charged (8 U.S.C. 1351) does not.

I recommend that you sign the response to Mother Teresa at Tab A. The response has been coordinated with the Department of State.

Attachments

Tab A	Letter to Mother Teresa
Tab B	Letter from Mother Teresa, dated August 5, 1992
Tab C	Letter from Mother Teresa, dated August 8, 1992
Tab D	Memorandum to Andy Card, dated February 6, 1992
Tab E	Moore Letter to Mother Teresa, dated March 16, 1992
Tab F	State Cable to New Delhi
Tab G	1985 Request for Waiver of Fees and Reagan Administration Response

cc: Rose Zamaria

THE WHITE HOUSE

WASHINGTON

September 9, 1992

MEMORANDUM FOR ROBERT B. ZOELLICK

FROM:

C. BOYDEN GRAY *mg*

SUBJECT:

Mother Teresa's Request for Waiver of Visa Fees

I have considered your comments responding to my memorandum to you of September 3 (Tab B). I am informed that the \$100 visa fee is imposed on each Indian sister from Mother Teresa's organization who applies for a U.S. visa, and that 50 to 60 sisters apply for such visas each year. Thus, the total annual cost to Mother Teresa's organization is \$5,000 to \$6,000.

Any effort by us to take up a collection for Mother Teresa within the White House would require a waiver by the Office of Personnel Management of the prohibition against fundraising on federal property. Alternatively, we could approach private benefactors on Mother Teresa's behalf. This would have to be done carefully in order to avoid any appearance of impropriety. Further, it might be unnecessary, as Mother Teresa already has a successful fundraising operation.

I continue to recommend that you sign the letter at Tab A. If you wish, however, I would be pleased to discuss the alternatives with you.

Attachments

Tab A Letter to Mother Teresa
Tab B September 3, 1992 Memorandum

9/13

→ Boyden,

*Pls talk to Ken Jinks,
Acting Counselor at State, about
any possible waiver or other authority
to avoid this.*

*Pls push hard -- as if you were
going to tell MT we'd change
her sisters, b/c if we can't work
this out, I will ask you to sign.
Thks RBZ*

THE WHITE HOUSE

WASHINGTON

September 15, 1992

MEMORANDUM FOR KENNETH JUSTER
Acting Counselor
Department of State

FROM: STEPHEN G. RADEMAKER 
Associate Counsel to the President

SUBJECT: Mother Teresa's Request for Waiver of Visa Fees

As we discussed yesterday, Bob Zoellick has asked you to look into Mother Teresa's request to the President for a waiver of the U.S. visa fees currently imposed on her Indian sisters. I have worked with Catherine Brown of L/CA on this problem, and she has in turn coordinated with the Bureau of Consular Affairs. The draft letter prepared for Bob's signature was concurred in by L and CA.

Bob nevertheless has asked you to take a fresh look at the problem. One issue you may want to focus on in your review is the "if practicable" language that appears in the relevant statute, 8 U.S.C. § 1351.

Attachments

Tab A Gray Memorandum to Zoellick, dated September 9, 1992
Tab B Gray Memorandum to Zoellick, dated September 3, 1992

THE WHITE HOUSE

WASHINGTON

September 9, 1992

MEMORANDUM FOR ROBERT B. ZOELICK

FROM: C. BOYDEN GRAY *CG*

SUBJECT: Mother Teresa's Request for Waiver of Visa Fees

I have considered your comments responding to my memorandum to you of September 3 (Tab B). I am informed that the \$100 visa fee is imposed on each Indian sister from Mother Teresa's organization who applies for a U.S. visa, and that 50 to 60 sisters apply for such visas each year. Thus, the total annual cost to Mother Teresa's organization is \$5,000 to \$6,000.

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I continue to recommend that you sign the letter at Tab A. If you wish, however, I would be pleased to discuss the alternatives with you.

Attachments

Tab A Letter to Mother Teresa
Tab B September 3, 1992 Memorandum

9/13

→ Boyden,

Pls talk to Ken Ivie, Acting Counselor at State, about any possible waiver or other authority

to avoid this.
Pls push hard -- as if you were going to tell MT we'd change her sisters, b/c if we can't work in-out, I will ask you to sign.
The RBZ

THE WHITE HOUSE

WASHINGTON

Dear Mother Teresa:

I am responding to your letters to Rose Zamaria of August 5 and the President of August 8 regarding the fees that your sisters in India currently must pay to obtain U.S. visas.

The President agrees with you that these fees are too high and should be eliminated. As my predecessor, W. Henson Moore, explained in his letter to you of March 16, however, under U.S. law our visa fees must correspond to the fees that the Indian government charges U.S. nationals for visas. Thus, when India raised visa fees for U.S. nationals on November 1, 1991, the State Department was required to impose equivalent fees on Indians seeking U.S. visas.

In contrast to your organization's 1985 request for a waiver of fees that the Immigration and Naturalization Service (INS) charged your sisters already in the United States, your current request is for a waiver of fees that the State Department charges your sisters who have not yet left India. The law under which the INS fees were charged afforded flexibility in the assessment of fees, and indeed there was federal regulation that permitted waiver of the fees in appropriate cases. Our government therefore was able to act favorably on your 1985 request. If the law under which the State Department fees are charged afforded the same flexibility, we would respond to your most recent request just as we did in 1985. Unfortunately, that law does not permit us to do so in this case.

Nevertheless, the President has indicated that he wants us to take whatever steps we can to eliminate this burden on your Indian sisters. Accordingly, the State Department is instructing our embassy in New Delhi to once again urge the Indian government to eliminate its new visa fees. This time we will focus particularly on religious workers, proposing the mutual elimination of visa fees for such workers.

You can assist our effort by exercising whatever influence you have with the Indian government to encourage a favorable response to our proposal. If our proposal is rejected, the President will

be without authority to waive the fees charged your Indian sisters. The only recourse at that point would be for Congress to enact remedial legislation.

I regret that we cannot unilaterally eliminate the visa fees at this time. We will continue working, however, to eliminate this burden on your organization.

Sincerely,

Robert B. Zoellick
Deputy Chief of Staff
to the President

Mother M. Teresa, M.C.
Missionaries of Charity
335 East 145th Street
Bronx, New York 10451

THE WHITE HOUSE
WASHINGTON

9/3 TD
September 3, 1992

MEMORANDUM FOR ROBERT B. ZOELLICK

FROM:

C. BOYDEN GRAY *ma*

SUBJECT:

Response to Mother Teresa's Request for Waiver of
Visa Fees

Boydlen,
Can we be a little creative in this?
Is it one \$100 fee or many?
Could we get a private sector
contribution to cover it?
If it's one \$100 fee, maybe we
could take a collection here

R13E

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their new fees, we will be able to exempt Indian religious workers, including Indian sisters of the Missionaries of Charity. Your response to Mother Teresa (Tab A) explains this new demarche.

Your response also addresses one of the principal arguments set forth in Mother Teresa's August 5 letter. She points out that President Reagan granted a similar request from her organization in 1985. Your response explains that the 1985 request (Tab G) dealt with fees that the INS charges persons already in the United States, while the current request involves fees that the State Department charges visa applicants who are still in India. The statute under which the INS fees were charged (31 U.S.C. 9701) allowed flexibility for administrative waiver of the fees, but the statute under which the State Department fees are charged (8 U.S.C. 1351) does not.

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cc: Rose Zamaria

THE WHITE HOUSE
WASHINGTON

September 3, 1992

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could take a collection here

9/3 TO
X
MEMORANDUM FOR ROBERT B. ZOGELICK

FROM:

C. BOYDEN GRAY *ma*

SUBJECT:

Response to Mother Teresa's Request for Waiver of
Visa Fees

R132

Mother Teresa wrote to Rose Zamaria of the President's Immediate Office on August 5 to ask her to ask the President to waive the \$100 fee that Indian sisters in Mother Teresa's organization, the Missionaries of Charity, currently must pay to obtain U.S. visas (Tab B). These sisters come to the United States to work in homeless shelters and other facilities run by the Missionaries of Charity. Mother Teresa's letter complained that the \$100 fee imposes an undue burden on her organization.

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I recommend that you sign the response to Mother Teresa at Tab A. The response has been coordinated with the Department of State.

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cc: Rose Zamaria

THE WHITE HOUSE

WASHINGTON

Dear Mother Teresa:

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The President agrees with you that these fees are too high and should be eliminated. As my predecessor, W. Henson Moore, explained in his letter to you of March 16, however, under U.S. law our visa fees must correspond to the fees that the Indian government charges U.S. nationals for visas. Thus, when India raised visa fees for U.S. nationals on November 1, 1991, the State Department was required to impose equivalent fees on Indians seeking U.S. visas.

In contrast to your organization's 1985 request for a waiver of fees that the Immigration and Naturalization Service (INS) charged your sisters already in the United States, your current request is for a waiver of fees that the State Department charges your sisters who have not yet left India. The law under which the INS fees were charged afforded flexibility in the assessment of fees, and indeed there was federal regulation that permitted waiver of the fees in appropriate cases. Our government therefore was able to act favorably on your 1985 request. If the law under which the State Department fees are charged afforded the same flexibility, we would respond to your most recent request just as we did in 1985. Unfortunately, that law does not permit us to do so in this case.

Nevertheless, the President has indicated that he wants us to take whatever steps we can to eliminate this burden on your Indian sisters. Accordingly, the State Department is instructing our embassy in New Delhi to once again urge the Indian government to eliminate its new visa fees. This time we will focus particularly on religious workers, proposing the mutual elimination of visa fees for such workers.

You can assist our effort by exercising whatever influence you have with the Indian government to encourage a favorable response to our proposal. If our proposal is rejected, the President will

be without authority to waive the fees charged your Indian sisters. The only recourse at that point would be for Congress to enact remedial legislation.

I regret that we cannot unilaterally eliminate the visa fees at this time. We will continue working, however, to eliminate this burden on your organization.

Sincerely,

Robert B. Zoellick
Deputy Chief of Staff
to the President

Mother M. Teresa, M.C.
Missionaries of Charity
335 East 145th Street
Bronx, New York 10451

+
LDM



335 East 145th Street,
Bronx, New York 10451.

August 5th, 1992.

"As long as you did it to one of these My least brethren. You did it to Me"

TO ROSE ZAMARIA

Dear Rose,

When I met you in the White House once you said that if there was ever anything you could help me with I must be sure to contact you. For our Congregation, and for the good of the work God has entrusted to us I am turning to you now.

Recently the Indian government raised to a prohibitive level the fees it charges for visas for missionaries to come to India. By statute the U.S. government is obliged to reciprocate. We used to enter the U.S. with B-1 visa and President Reagan asked Consular officials to make sure we were not charged any fees for these visas. Now with the new R visas, by which we enter the U.S.A. as missionaries, our Indian Sisters have to pay very high fees each time they apply.

Please can you ask the President, on my behalf, to kindly waive the fees our Indian Sisters have to pay, indeed I would like to ask that visa fees for Sisters of any nationality in our Congregation be waived as all the money we receive is given for the very poorest of the poor and is often the fruit of great sacrifice on the part of donors. We do not accept government grants or aid of any kind, and I really do not want to give money intended for the desperately needy to pay visa fees.

We send Sisters to the U.S. not only when they are assigned to the States but all Sisters assigned to North, Central and South America come through New York, which is a kind of clearing house for us for the Americas. I beg you to please help us, in any way you can. God willing I will be staying at the above address until August 10th when I leave for Rome in the evening. (On August 7th I will be in the Virgin Islands for the blessing of our new home there.) I can be contacted on 718-292-0019. After I go, please can you stay in contact with our North American Regional Superior Sister M. Dolores M.C., who can be reached at the same address and phone number. My gratitude is my fervent prayer to God for you.

*God bless you
Lee Teresa Mc*

Registered Charity S 3509 of 1958-1959
Income Tax Exemption 1878 C. T. BE/100/65-66



335 East 145th Street,
Bronx, New York 10451.

August 8th, 1992.

"As long as you did it to one of these My least brethren. You did it to Me"

President George Bush,
The White House,
Washington DC

Dear President Bush,

My heart is full of gratitude for the waiver you have signed allowing our Indian Sisters to get visas for the U.S.A. without having to pay fees. The money we would have spent for visas can now go to feed the starving, clothe the naked, shelter the homeless and comfort prisoners, as Jesus told us to do. I pray that the lifting of their cares of so many of our poor people may stand as a powerful prayer to God for you.

My deep gratitude is my fervent prayer to God for you and your wife and family that you may never allow anything to separate you from the love of God, but may allow Him to use you more and more as instruments of His life and His love. I pray for you that God may give you the light and strength you need to make the serious decisions that face you. Thank you for being a channel of God's loving Providence for us and our poor people, may He fill you with His joy and peace which the world cannot give or take away.

*Please pray for our Society
Our Poor and for me
God bless you
Lee Teresa Mc*



"As long as you did it to me, I did it to you. You did it to me."

LDM+

February 6, 1992

FAX TRANSMISSION

TO: ANDREW CARD JR.
ASSISTANT TO THE PRESIDENT
AND DEPUTY CHIEF OF STAFF
THE WHITE HOUSE

FROM: MOTHER M. TERESA, M.C.
MISSIONARIES OF CHARITY
PIAZZA SAN GREGORIO
ROMA, ITALY

Dear Mr. Card,

Thank you for your letter of December 15th, telling me all of the information about Ethiopia. Your letter reached me in Tijuana, after coming out of hospital.

I am writing to you now because I have received some news from my sisters in Calcutta. It seems that the American Embassy in Calcutta, in charging our sisters 4,000 rupees per sister for an application for their American Visa.

For us, this is a very big amount of money. No other Embassy charges us these fees. As you know, we now have over 32 houses in the United States. Our sisters come to give wholehearted and free service to the poorest of the poor. You know we don't accept any government grants or subsidies, nor do we take any pay for our work. Some of the sisters, are only passing through on their way to our houses in Latin and South America.

The Embassy in Calcutta said maybe something can be arranged through the State Department, by a Mr. Ron Aker.

I will be very grateful to you if there is anything you can do for us. It will be very difficult to pay this big amount of money for visas.

My gratitude to you is my prayer for you, for your family, your work and all the people whom you are working with.

God Bless You,

Mother M. Teresa, M.C.
(dictated by phone)

663038

March 16, 1992

Dear Mother Teresa:

Thank you for your facsimile message to Andrew Card regarding visas for your sisters in India.

The State Department has raised your concerns with Consul General Richard P. Livingston at the American Embassy in New Delhi. As you may know, on November 1, 1991, the Government of India unilaterally raised visa fees for a number of countries. This action included the United States. Since United States visa charges are based on reciprocity, a corresponding adjustment to our schedule of fees was required.

The United States prefers the abolition of all fees for non-immigrant visas. A diplomatic note was sent to the Indian Government requesting a reconsideration of the decision to raise visa fees. Consul General Livingston has been working directly with Indian officials in this effort. Some success has already been made with adjustments to the visitor visa category and visas for Indian nationals transiting to the United States.

Please be assured that we will monitor this matter carefully and will continue to encourage the Government of India to reduce or eliminate visa fees wherever possible.

With kindest regards, I remain,

Sincerely,

Signed 3/23

W. Henson Moore
Deputy Chief of Staff
to the President

Mother M. Teresa, M.C.
Missionaries of Charity
Piazza San Gregorio
Rome
ITALY

ORIGINAL

UNCLASSIFIED

CA/V0/F:GCLANNON:SMD
08/26/92, EX31160, W-1126F
CA/V0:8CHOLMES

CA:JLWARD
NSC
CA/V0/P:DBLOCH
S/S-0:

L/CA:CBROWN
SA/INS:SBLAKE
S/S:

AUTH: BCH 54 8
DRAFT: GCL 27
CLEARANCE INITIALS:
1. JLW 2. CB
3. SR 4. SB
5. DB 6.
7. 8.

PRIORITY

NEW DELHI

VISAS

E.O. 12356: N/A

TAGS: CVIS

SUBJECT: VISA RECIPROCITY

REF: (A) NEW DELHI 10293; (B) STATE 251638

1. MOTHER TERESA MADE GOOD ON HER STATEMENT TO POST'S COUNSELOR FOR CONSULAR AFFAIRS (REF A) AND RECENTLY ASKED THE PRESIDENT TO WAIVE THE VISA FEE CHARGED TO HER WORKERS COMING TO THE U.S. FROM INDIA. THE PRESIDENT IS SYMPATHETIC TO HER REQUEST AND WOULD LIKE TO BE RESPONSIVE. AS WE INDICATED IN REF B, ACCOMMODATING MOTHER TERESA'S DESIRE WOULD MAKE US SUSCEPTIBLE TO CHARGES OF FAVORITISM AND EXTEND A BENEFIT TO FOREIGN NATIONALS NOT AVAILABLE TO U.S. CITIZENS SEEKING A SIMILAR CLASSIFICATION IN INDIA. THE DEPARTMENT WOULD, HOWEVER, BE WILLING TO ELIMINATE THE FEE FOR R VISAS, IF THE GOI WOULD RECIPROCATATE. ACCORDINGLY, POST IS REQUESTED TO APPROACH THE GOI AND REQUEST THE MUTUAL ELIMINATION OF FEES FOR VISAS TO RELIGIOUS WORKERS.

2. THE DEPARTMENT, OF COURSE, CONTINUES TO BE INTERESTED IN THE ELIMINATION OF ALL NIV FEES.

44

UNCLASSIFIED

1
LGM

MISSIONARIES



OF CHARITY

As long as you did it to one of these My least brethren You did it to Me

335 East 145th Street,
Bronx, New York 10451.

28th March 1985.

Thomas W. Simmons, Esq.,
Deputy Assistant Commissioner,
Adjudications,
U.S. Department of Justice,
Immigration and Naturalization Service,
425 Eye Street, Room 7122,
Washington D.C. 20536.

Dear Mr. Simmons:

This letter is a formal application for a waiver of fees pursuant to 8 CFR 103.7 (c)(1), with regard to our applications for non-immigrant visas.

We believe that we are deserving of this waiver. We are a Congregation of Catholic Sisters who give wholehearted and free service to the poorest of the poor, without regard to nationality, race, religion or language. We receive no fees or government grants, depending entirely on Divine Providence. This means in practice that we depend on the spontaneous generosity of individuals (we do not fundraise, and we do not allow others to fundraise for us.) This money is often the fruit of sacrifice and is intended for the poorest of the poor. Even when it is intended for the sisters, we want to spend as little as possible on ourselves and as much as possible on our poor people. We are currently spending an average of \$200.00 a month on visa fees.

I would be grateful for your help in this matter.

Yours sincerely,

Sister M. Prosser, M.C.

SISTER M. PROSSER, M.C.
Income Tax Exemption 1878 C. T. BE/100/65.66

Memorandum



CO 214h-C

Subject

Waiver of Fee Request -
Missionaries of Charity

Date 24 APR 1985

To

Regional Commissioners: Northern, Eastern
Southern, Western

From

Andrew J. Carmichael, Jr.
Associate Commissioner,
Examinations

In recent months, Mother Teresa of Missionaries of Charity, has communicated with President Reagan and the Service regarding her organization's difficulties in paying the numerous fees charged by the Service for processing nonimmigrant visa applications.

Mother Teresa and her organization are internationally known for their dedicated and free service to the poor. They have 13 houses in the United States staffed by approximately 130 sisters, many of whom are aliens on L-1, H-3, and B-1 visas. District offices throughout the United States will periodically receive new petitions for aliens being rotated to the United States and extension of stay applications for some currently in the United States. We are convinced that this organization cannot afford the fees charged by the Service to process these applications. In addition, the President has asked that we do what we can to help Mother Teresa's organization.

Enclosed is a copy of Missionaries of Charity's request for a waiver of fees pursuant to 8 CFR 163.7(c)(1). We are requesting that you notify district directors of this request and advise them to favorably consider this waiver request on future applications filed by Missionaries of Charity relating to petitions, extensions, motions, and appeals.

Questions regarding this request should be directed to Flora T. Richardson on 8-633-3946.



U.S. Department of Justice
Immigration and Naturalization Service

425 Eye Street N.W.
Washington, D.C. 20536

CO 214h-C

24 APR 1985

Sister M. Priscilla, M.C.
U.S. Regional Superior of the
Missionaries of Charity
335 East 145th Street
Bronx, New York 10451

Dear Sister Priscilla:

This is in response to your letters of March 28, 1985 requesting duration of status for sisters on B-1 visas and a waiver of fees in nonimmigrant visa applications pursuant to 8 CFR 123.7(c)(1).

I regret that you are still experiencing difficulty in obtaining approval of visa petitions and extension of stay applications for some of your sisters to remain in the United States. The problem appears to be that some were accorded improper visa classifications when they entered the United States and others have visas which are designed for short periods of stay in the United States.

We hope the information which we recently provided you and your attorney, Ms. Esther Kaufman, has clarified the visa classifications which are appropriate for sisters of Missionaries of Charity and the limitations which apply to these classifications.

The B-1 visa category covers all types of business visits to the United States. Due to the many uses of the B-1 visa, it would be impractical and undesirable for the Service to consider granting duration of status to B-1 visa holders. The Service cannot grant duration of status to aliens within this category for a specific religious organization. As we advised Ms. Kaufman, consideration is being given to increasing the time limit on B-1 extensions to increments of one year and to allow group extensions to better accommodate situations, such as Missionaries of Charity, where the aliens services are needed in the United States for longer periods of time.

We are forwarding your request for a waiver of fees on nonimmigrant visa applications to our four Regional Offices and requesting that they notify the district offices within their jurisdiction to favorably consider your waiver request whenever you file nonimmigrant visa applications. You should attach a copy of your March 28, 1985 waiver request to future applications.

We hope the above actions will be helpful in easing the burden of current requirements on Missionaries of Charity.

Sincerely,

Thomas W. Simmons

Thomas W. Simmons

THE WHITE HOUSE

WASHINGTON

September 1, 1992

*Keep ~~Scowcroft~~ so
somewhere on file pl*

MEMORANDUM FOR BOB ZOELLICK

FROM: BRENT SCOWCROFT *[Signature]*

SUBJECT: Background Information for Hamtramck Speech

We have provided, per your request, background information on President Bush's support for Poland.

At Tab A is a summary of key visits and policy initiatives organized to show how the Administration has supported each stage of Poland's political and economic transformation. Tab B is a fact sheet on U.S. assistance which will give you the status of our current assistance program and U.S. investment. Tabs C and D are the Presidential speeches you requested and a compendium of statements made by Walesa in support of the President during his visit to Warsaw in July.

Attachments

Tab A	Summary of U.S. Support for Poland
Tab B	Fact Sheet on U.S. Assistance
Tab C	Walesa's Statements
Tab D	President's Speeches

SUMMARY OF U.S. SUPPORT FOR POLAND

The Bush Administration has shown leadership at every critical point in Poland's political and economic transformation. Through President Bush's policies, we have encouraged and nurtured Poland's development into a democratic, market-oriented country.

Underlining his commitment to Poland's freedom, the President gave the **first major foreign policy address of his administration in Hamtramck, Michigan on April 17, 1989** which highlighted a centerpiece of his foreign policy: to help bring political and economic freedom to the people of Eastern Europe. In response to historic steps just taken in Poland (the formal restoration of Solidarity that very day and the watershed roundtable agreement of several weeks before), the President announced a package of assistance measures to help advance Poland's transformation. He called for: GSP, Paris Club debt reduction, authorization for OPIC, and educational, cultural, and training programs.

Just after Poland's first free elections, **the President visited Warsaw and Gdansk in July 1989.** He announced the creation of the Polish-American Enterprise Fund, the flagship of our programs to promote private sector development in Poland. (Through this program we have put over \$100 million into the hands of more than 1000 small business borrowers and 30 major entities. See attached assistance fact sheet for more information.) The President went on to the **Paris Summit** where, through U.S. initiative, the G-24 was created for "concerted Western action" to assist Eastern Europe.

In late 1989, after the naming of the first non-communist Prime Minister in 40 years, the U.S. organized the \$1 billion stabilization fund, which included a \$200 million U.S. grant. The President also presented Solidarity leader Lech Walesa with the Presidential Medal of Freedom in November 1989.

In March 1990, then-Prime Minister Mazowiecki visited Washington. During Mazowiecki's visit, the President signed the U.S.-Polish Business and Economic Agreement and announced the application of "Brady Plan" measures to reduce the Polish commercial debt. The President also granted requests to open a Polish consulate on the West Coast and to lift travel restrictions.

During **German unification,** we worked closely with the Polish and German governments to assure a guarantee of the Polish-German border.

Following his election to the post of President, **Lech Walesa came to the U.S. on a state visit in March 1991.** During the visit, the President announced a new Trade Enhancement Initiative, the American Business Initiative, and a major debt reduction package that the U.S. pushed through the G-7 and the Paris Club (resulting in over 50% debt reduction; the U.S. provided 70% debt

relief with 10% going to a Polish environmental foundation). Throughout the year we made a strong push for improved Polish access to U.S. and European markets.

In August, **the Soviet coup** shook Poland and the rest of Eastern Europe. The President called President Walesa to discuss the situation. Following the coup, the U.S. made clear its continuing commitment to Eastern Europe; the Administration decided to leave the East European assistance package intact, and not to siphon off money for the former Soviet Union.

In the run-up to the first fully free parliamentary elections since the fall of communism, the U.S. supported the process of democratization and reform through a **Presidential meeting with then-Prime Minister Bielecki in September 1991.** At this time, the President announced the housing loan guarantee program for Eastern Europe, the bulk of which, \$25 million, went to Poland. In late 1991, we also helped support Poland's reforms by signing a textile agreement and sending a Presidential Investment mission to Poland led by Commerce Secretary Mosbacher.

In 1992, the U.S. continued to forge deeper political and economic ties with Poland. The President sent John Whitehead on a Presidential Mission to help extend U.S. investment to Poland. **In July, the President visited Poland** and announced the U.S. commitment to convert the stabilization fund to new productive uses. The President sought and won the commitment of other G-7 leaders for this valuable project at the G-7 meeting in Munich. We are now working with the Polish government and other contributors to the Polish Stabilization Fund to develop a new program for these monies which will promote private sector growth and prosperity.

WHITE HOUSE
Office of the Press Secretary
Warsaw, Poland

For Immediate Release

July 5, 1992

FACT SHEET

U.S. Assistance to Poland

Poland is the largest recipient of U.S. assistance to Central and Eastern Europe. The three categories of U.S. assistance are development of democratic institutions, improvements in basic living standards, and economic restructuring and privatization.

I. ECONOMIC RESTRUCTURING AND PRIVATIZATION

This program, 90% of total U.S. assistance to Poland, supports the transformation of a centrally planned economy to a market-based economy led by the private sector.

Stabilization Fund. In 1989, the U.S. contributed a \$200 million grant to the Fund as part of a U.S.-led multi-donor \$1 billion reserve to support limited convertibility of the zloty. The Fund was renewed for another year in January 1992.

Polish American Enterprise Fund. The Enterprise Fund is the flagship U.S. bilateral assistance program. U.S. contributions will total \$188 million by September 1992. The Fund has disbursed \$111.7 million for development of the private sector through equity investment, loans, technical assistance and other measures. It has made \$108.5 million in loans to some 1100 Polish small businesses and 30 larger entities. The Fund recently established the Polish Private Equity Fund with \$50 million of its own resources and \$50 million matching funds from the European Bank for Reconstruction and Development.

Polish Debt Reduction. In 1991, the U.S. reduced Poland's official bilateral debt burden by 70% (20% beyond the 50% Paris Club terms) and led the way in securing Paris Club agreement for an overall reduction of more than 50% of Poland's official debt burden. The U.S. supports similar efforts to reduce Poland's commercial debt through the London Club.

- more -

Trade Enhancement Initiative. This initiative provides substantially expanded market access to Polish exporters through greatly expanded textile quotas and elimination of many others, expanded (\$182 million) duty-free benefits under the Generalized System of Preferences, and more flexible steel quotas. The U.S. also is providing technical assistance in export promotion through the Capital Development Initiative, whereby specialists residing in Warsaw will help U.S. firms identify projects in Poland. Over 300 American companies have expressed interest. The U.S. Trade and Development Program has funded over \$5 million in feasibility studies and training programs.

Privatization. The U.S. has undertaken over \$8 million in a wide range of privatization assistance activities. Projects include privatization of LOT Airlines and the sectoral privatization of the furniture and glass industries. The U.S. has initiated two regulatory assistance projects with the Polish Securities Commission and the National Bank of Poland.

Banking and Finance. The U.S. is providing advisors to the Ministry of Finance assisting with domestic debt, tax policy and computerization. Advisors also will be placed in commercial banks in Lodz and Warsaw's Handlowy Bank. Work has begun establishing a Warsaw bank training institute. Under a grant to the International Executive Service Corps, \$2 million has funded advisors to firms seeking management assistance. An \$8 million project helped U.S. and Polish Universities develop management and marketing economics education.

Agriculture. The agriculture and agribusiness program seeks to develop and strengthen agribusinesses, assisting formerly state-owned enterprises become market-driven, economic units. To this end, over \$20 million in assistance has been provided concentrating on the rural, eastern half of Poland.

II. DEMOCRATIC INSTITUTIONS

This program involves assisting the development of democratic institution-building to establish the foundation for enduring political freedom and encourage broad-based participation in civic and economic affairs.

- The U.S. Senate and House of Representatives have provided \$750,000 in equipment to the Polish Sejm and Senate.

- more -

- The Peace Corps has sent 240 volunteers to Poland for English teaching, small business development and environmental assistance.
- \$1.7 million supports NSZZ Solidarnosc's Economic Foundation and Rural Solidarity through the AFL-CIO's Free Trade Union Institute.
- The U.S. has provided \$1.3 million to Rutgers University for assisting municipal and local governments through Poland's Foundation for Support of Local Democracy and its 16 regional training centers.
- Additionally, over \$7 million has been provided to support increased public participation, local governments, educational reform, civic reform, and independent media.

III. IMPROVING BASIC LIVING STANDARDS

This program focuses on improving or maintaining quality of life standards while Poland undergoes the disruptive processes of economic restructuring and political reform.

Housing. The \$25 million Housing Guaranty program will promote private sector housing and entrepreneurship in the housing industry. A \$10 million technical assistance program will provide institutional and advisory support for the Housing Guaranty program, and World Bank and EBRD housing sector loans.

Energy. Three U.S. energy experts are part of a joint U.S., E.C., and UK Energy Restructuring Group established to help privatize the energy sector. U.S. energy experts worked in eight industry and district heating plants to identify energy savings opportunities; savings are expected to reach \$2.3 million per year in reduced energy costs. A \$1 million partnership has been established between Polish Power Grid Company and Commonwealth Edison.

Environment. A \$7.7 million program to clean up the air around Krakow is underway at the Skawina Power Plant, along with a \$5 million project for air monitoring and wastewater drinking in Krakow. Additional regional projects focus on improving air quality in the "dead zone" of Poland's Upper Silesia and Czechoslovakia's Northern Bohemia.

- more -

Health. Under a \$4.8 million grant, U.S. hospitals are working with Polish counterparts in Lodz, Krakow, and Bialystok to facilitate partnerships and the exchange of medical knowledge and technology in the areas of cancer and emergency medical services.

Labor Force. We are providing assistance to transform public employment services in Gdansk and Szczecin, and to improve unemployment compensation payment systems.

U.S. INVESTMENTS

U.S. investments to date total about \$200 million. Major investments are:

- General Motors, \$75 million joint venture with Polish automaker FSO.
- Pepsi Cola, \$25 million purchase of chocolate firm, potentially another \$65 million.
- Gerber, \$11 million investment in food sector.
- Levi Strauss, \$20 million apparel venture.

Investment commitments are about \$1.5 billion. For example:

- Coca Cola, \$50 million soft drink venture.
- U.S. Business Center, \$56 million construction project.
- Westinghouse, \$1 billion committed, potentially \$2 billion investment in energy sector.

There are also significant investments under consideration. For example, Ford is interested in building a seat cover plant which would employ about 1,000 employees and produce for export.

The following are remarks made by President Walesa in support of the President during his visit to Poland, July 5, 1992.

President Lech Walesa said that he would vote for George Bush in the coming U.S. presidential election if he could. "Not to interfere in U.S. internal affairs, but I think Bush is a great politician of our time who has done a great deal for the cause of decommunization and freedom."

"For many years the President has been interested in our struggle; he supports it. Now that victory has been achieved, he is helping Polish reforms and the reforms of the whole region. I was able to see this for myself when I was leader of Solidarity, and now that I am president the same applies. The United States helped us in our struggle for freedom and democracy and kept our spirits up in the most difficult years. We are also grateful to you, Mr. President, for this. We are grateful for your personal involvement in the victory of democracy."

"The great and firm U.S. democracy helped the young Polish democracy. From then until now the United States has been giving us much evidence of goodwill and friendship. We have been receiving this from many presidents and also from you."

Walesa said that he was glad Bush "understands Polish problems, anxieties and needs so well."

Popular Polish daily, Slowo Powszechne, said that Bush's visit to Poland on the eve of the G-7 meeting in Munich was a "success in itself for us and proof of the personal friendship which Bush feels for Poland."

dentistry, and director of the medical center of the University of Rochester, 1979-1984, and vice president for health affairs, 1981-1984.

Dr. Young graduated from Union Col-

lege, the medical center of the State University of New York (M.D.), and Case Western Reserve University (Ph.D). He is married and has five children.

Remarks to Citizens in Hamtramck, Michigan *April 17, 1989*

Cardinal Szoka, your Eminence. Bob, thank you for the warm greeting to your wonderful community. Governor Blanchard—it's an honor to have the Governor of the great State here. And I want to pay my respects to the members of the Michigan congressional delegation that came out here with me—Senator Riegle and several distinguished Members of the House of Representatives sitting over here—and also to Senator John Engler, who is the majority leader of the Michigan State Senate, and to other elected leaders not only from your community but in other parts of this State.

I'm delighted to be here. Bread and salt are both of the Earth, an ancient symbol of a life leavened by health and prosperity. And in this same spirit, I wish you all the same. And now, if I may, I want to address, at this important gathering, the health and prosperity of a whole nation—the proud people of Poland. You know, we Americans are not mildly sympathetic spectators of events in Poland. We are bound to Poland by a very special bond: a bond of blood, of culture, and shared values. And so, it is only natural that as dramatic change comes to Poland we share the aspirations and excitement of the Polish people.

In my Inaugural Address, I spoke of the new breeze of freedom gaining strength around the world. "In man's heart," I said, "if not in fact, the day of the dictator is over. The totalitarian era is passing; its old ideas blown away like leaves from an ancient leafless tree." I spoke of the spreading recognition that prosperity can only come from a free market and the creative genius of individuals. And I spoke of the new potency of democratic ideals: of free speech, free elections, and the exercise of free will.

And we should not be surprised that the ideas of democracy are returning with renewed force in Europe, the homeland of philosophers of freedom, whose ideals have been so fully realized in our great United States of America. And Victor Hugo said: "An invasion of armies can be resisted, but not an idea whose time has come." My friends, liberty is an idea whose time has come in Eastern Europe, and make no mistake about it.

For almost half a century, the suppression of freedom in Eastern Europe, sustained by the military power of the Soviet Union, has kept nation from nation, neighbor from neighbor. And as East and West now seek to reduce arms, it must not be forgotten that arms are a symptom, not a source, of tension. The true source of tension is the imposed and unnatural division of Europe. How can there be stability and security in Europe and the world as long as nations and peoples are denied the right to determine their own future, a right explicitly promised by agreements among the victorious powers at the end of World War II? How can there be stability and security in Europe as long as nations which once stood proudly at the front rank of industrial powers are impoverished by a discredited ideology and stifling authoritarianism? The United States—and let's be clear on this—has never accepted the legitimacy of Europe's division. We accept no spheres of influence that deny the sovereign rights of nations.

And yet the winds of change are shaping a new European destiny. Western Europe is resurgent, and Eastern Europe is awakening to yearnings for democracy, independence, and prosperity. In the Soviet Union

itself, we are encouraged by the sound of voices long silent and the sight of the rulers consulting the ruled. We see new thinking in some aspects of Soviet foreign policy. We are hopeful that these stirrings presage meaningful, lasting, and far more reaching change. So, let no one doubt the sincerity of the American people and their government in our desire to see reform succeed inside the Soviet Union. We welcome the changes that have taken place, and we will continue to encourage greater recognition of human rights, market incentives, and free elections.

East and West are now negotiating on a broad range of issues, from arms reductions to the environment. But the Cold War began in Eastern Europe, and if it is to end, it will end in this crucible of world conflict. And it must end—the American people want to see east and central Europe free, prosperous, and at peace. With prudence, realism, and patience, we seek to promote the evolution of freedom—the opportunities sparked by the Helsinki accords and the deepening East-West contact. In recent years, we have improved relations with countries in the region. And in each case, we looked for progress in international posture and internal practices—in human rights, cultural openness, emigration issues, opposition to international terror. While we want relations to improve, there are certain acts we will not condone or accept, behavior that can shift relations in the wrong direction—human rights abuses, technology theft, and hostile intelligence or foreign policy actions against us.

Some regions are now seeking to win popular legitimacy through reforms. In Hungary, a new leadership is experimenting with reforms that may permit a political pluralism that only a few years ago would have been absolutely unthinkable. And in Poland, on April 5th, Solidarity leader Lech Walesa and Interior Minister Kiszczak signed agreements that, if faithfully implemented, will be a watershed in the postwar history of Eastern Europe.

Under the auspices of the roundtable agreements, the free trade union *Solidarność* was today—this very day, under those agreements—*Solidarność* was today formally restored. And the agreements also pro-

vide that a free opposition press will be legalized, independent political and other free association will be permitted, and elections for a new Polish senate will be held. These agreements testify to the realism of General Jaruzelski and his colleagues, and they are inspiring testimony to the spiritual guidance of the Catholic Church, the indomitable spirit of the Polish people, and the strength and wisdom of Lech Walesa.

Poland faces, and will continue to face for some time, severe economic problems. A modern French writer observed that communism is not another form of economics: It is the death of economics. In Poland, an economic system crippled by the inefficiencies of central planning almost proved the death of initiative and enterprise—almost. But economic reforms can still give free rein to the enterprising impulse and creative spirit of the great Polish people.

The Polish people understand the magnitude of this challenge. Democratic forces in Poland have asked for the moral, political, and economic support of the West, and the West will respond. My administration is completing now a thorough review of our policies toward Poland and all of Eastern Europe, and I've carefully considered ways that the United States can help Poland. And we will not act unconditionally. We're not going to offer unsound credits. We're not going to offer aid without requiring sound economic practices in return. And we must remember that Poland still is a member of the Warsaw Pact. And I will take no steps that compromise the security of the West.

The Congress, the Polish-American community—and I support, I endorse strongly Ed Moskal and what he is doing in the Polish American Congress, I might say; and I'm delighted he's here, good Chicago boy right here in Hamtramck—that the Congress, the Polish-American community, the American labor movement, our allies, and international financial institutions—our allies all must work in concert if Polish democracy is to take root anew and sustain itself. And we can and must answer this call to freedom. And it is particularly appropriate here in Hamtramck for me to salute the members and leaders of the American labor movement for hanging tough with Solidari-

ty through its darkest days. Labor deserves great credit for that.

Now the Poles are now taking steps that deserve our active support. And I have decided as your President on specific steps to be taken by the United States, carefully chosen to recognize the reforms underway and to encourage reforms yet to come now that *Solidarność* is legal. I will ask Congress to join me in providing Poland access to our Generalized System of Preferences, which offers selective tariff relief to beneficiary countries. We will work with our allies and friends in the Paris Club to develop sustainable new schedules for Poland to repay its debt, easing a heavy burden so that a free market can grow.

I will also ask Congress to join me in authorizing the Overseas Private Investment Corporation to operate in Poland, to the benefit of both Polish and U.S. investors. We will propose negotiations for a private business agreement with Poland to encourage cooperation between U.S. firms and Poland's private businesses—both sides can benefit. The United States will continue to consider supporting, on their merits, viable loans to the private sector by the International Finance Corporation. We believe that the roundtable agreements clear the way for Poland to be able to work with International Monetary Fund on programs that support sound, market-oriented economic policies. We will encourage business and private nonprofit groups to develop innovative programs to swap Polish debt for equity in Polish enterprises, and for charitable, humanitarian, and environmental projects. We will support imaginative educational, cultural, and training programs to help liberate the creative energies of the Polish people.

You know, when I visited Poland in September of 1987, I was then Vice President, and I told Chairman Jaruzelski and Lech Walesa that the American people and Government would respond quickly and imaginatively to significant internal reform of the kind that we now see—both of them valued that assurance. So, it is especially gratifying for me today to witness the changes now taking place in Poland and to announce these important changes in U.S. policy. The United States of America keeps its promises.

If Poland's experiment succeeds, other countries may follow. And while we must still differentiate among the nations of Eastern Europe, Poland offers two lessons for all. First, there can be no progress without significant political and economic liberalization. And second, help from the West will come in concert with liberalization. Our friends and European allies share this philosophy.

The West can now be bold in proposing a vision of the European future. We dream of the day when there will be no barriers to the free movement of peoples, goods, and ideas. We dream of the day when Eastern European peoples will be free to choose their system of government and to vote for the party of their choice in regular, free, contested elections. And we dream of the day when Eastern European countries will be free to choose their own peaceful course in the world, including closer ties with Western Europe. And we envision an Eastern Europe in which the Soviet Union has renounced military intervention as an instrument of its policy—on any pretext. We share an unwavering conviction that one day all the peoples of Europe will live in freedom. And make no mistake about that.

Next month, at a summit of the North Atlantic alliance, I will meet with the leaders of the Western democracies. The leaders of the Western democracies will discuss these concerns. And these are not bilateral issues just between the United States and the Soviet Union. They are, rather, the concern of all the Western allies, calling for common approaches. The Soviet Union should understand, in turn, that a free, democratic Eastern Europe as we envision it would threaten no one and no country. Such an evolution would imply and reinforce the further improvement of East-West relations in all dimensions—arms reductions, political relations, trade—in ways that enhance the safety and well-being of all of Europe. There is no other way.

What has brought us to this opening? The unity and strength of the democracies, yes, and something else: the bold, new thinking in the Soviet Union, the innate desire for freedom in the hearts of all men. We will not waver in our dedication to freedom

now. And if we're wise, united, and ready to seize the moment, we will be remembered as the generation that made all Europe free.

Two centuries ago, a Polish patriot, Thaddeus Kosciuszko, came to these American shores to stand for freedom. Let us honor and remember this hero of our own struggle for freedom by extending our hand to those who work the shipyards of Gdansk and walk the cobbled streets of Warsaw. Let us recall the words of the Poles who struggled for independence: "For your freedom and ours." Let us support the peaceful evolution of democracy in Poland. The cause of liberty knows no limits; the friends of freedom, no borders.

God bless Poland. God bless the United States of America. Thank you all very much. *Niech Zyje Polska!* [Long live Poland!] Thank you very much.

Note: The President spoke at 11:53 a.m. at Hamtramck City Hall. In his opening remarks, he referred to Cardinal Edmund C. Szoka, the Archbishop of Detroit, and

Robert Kozaren, mayor of Hamtramck. He also referred to Edward Moskal, president of the Polish-American Congress. Following his remarks, the President attended a luncheon at the Eagle Restaurant. Following the luncheon, he returned to Washington, DC.

A fact sheet entitled "Support for Polish Reforms" was also released by the Office of the Press Secretary. In addition to covering the material on this subject found in these remarks, the fact sheet also contained the following points concerning U.S. policy toward Poland:

"Once authorized, OPIC [Overseas Private Investment Corporation] and the Polish Government will negotiate an investment incentives agreement detailing OPIC's rights and the GOP's [Government of Poland's] responsibilities for OPIC-assisted investment.

"In the absence of GSP [Generalized System of Preferences], OPIC would make an independent determination that Poland is taking steps to adopt and implement worker rights. We will work closely with Solidarity."

Remarks at the National Conference of the Building and Construction Trades Department of the AFL-CIO April 18, 1989

Thank you for that warm welcome. Thank you, Bob Georgine, for that warm welcome. Since the election is over, the story can now be told: a proud story about all the help this guy gave me in the last two elections. [Laughter] No, here's the way it worked, really. [Laughter]

In this very room, I'm at an Italian-American dinner in 1984, sitting up here at the high—you know, the big dais here and everything. Georgine comes over—very pleasant to my wife, who could well be his campaign manager if he has higher aspirations. [Laughter] And he says, "You've got to understand, George," he tells me, "you've got to understand. Don't you realize Geraldine Ferraro is an Italian? Don't you understand that?" I said, "Yes, I understand, so I was

waiting for 1988." [Laughter] See him at the same dinner, same place, looking at him. "Hey, come on." And he says, "You've got to understand." I looked at his nametag. I'm running against Michael Dukakis, famous Greek-American. I see his nametag—Bob Georgapolis—[laughter]—little much.

But look, here I am, and I appreciate very much the tone with which your outstanding leader set the agenda here today and the warm welcome that you gave me. And I do have great respect for Bob Georgine. I've told him this. The door will be open over there to him, to the leaders here, and to all of you, whom he represents so well. And he doesn't hide behind the differences. We get them out there on the table.

ber 17, 1991. He would succeed Thomas A. Bolan.

Since 1961 Mr. Barclay has served as a partner and associate in the law firm of Hiscock and Barclay in Syracuse, NY. Mr. Barclay graduated from Yale College (B.A., 1955) and Syracuse University College of

Law (J.D., 1961). He was born July 5, 1932, in New York, NY. Mr. Barclay was commissioned as a second lieutenant in the Artillery in the U.S. Army Reserve in 1955. He is married, has five children, and resides in Pulaski, NY.

Remarks on Presenting the Presidential Medal of Freedom to Lech Walesa and the Presidential Citizen's Medal to Lane Kirkland November 13, 1989

The President. Just before Christmas 1981, a darkness descended across Poland for the third time this century. What had begun as a year of hope and freedom ended in violence and repression. In snow-filled crossroads and town squares across Poland, iron tanks rumbled to a stop. Lech Walesa made the sign of the cross on the foreheads of his sleeping children and was taken away into the night. Solidarity, a movement embracing the Polish Nation, was outlawed. Communications with the outside world were cut. And Poland awoke to snow and steel and silence, an entire nation imprisoned.

But you can't lock up a dream. One by one, candles lit the windows of Poland's farmhouses and tenements, silent beacons of liberty still burning in the hearts of a brave and ancient people. And that Christmas Eve, not far from where we stand, a candle burned all night in the White House, like others all across America, glowing with solidarity with the Polish people.

When spring came, a time of renewal and rebirth, Lech Walesa's fate was still unknown. And as colleges and universities approached graduation, one by one, again and again, the same two names were heard. Lech Walesa and Solidarity. Of course, Lech Walesa could not come to accept those honorary degrees. And so, in crowded assembly halls and packed arenas across America, where every precious space was filled with proud and loving families, stage after stage held a single, unfilled place—an empty chair, bearing only the Solidarity banner—awaiting the release of Lech

Walesa, the liberation of the Polish people.

We saw empty chairs in Maine and Pennsylvania, Rhode Island and Illinois. And at Notre Dame, the crowd stood for 3 minutes in cheering tribute to the empty chair and the man who wasn't there. At Holy Cross, Lane Kirkland accepted the award on Lech Walesa's behalf. And back in Poland, in a humble wooden church on the outskirts of Gdansk, an empty chair was placed near the altar for the baptism of tiny Maria Victoria, Lech's seventh child, a little girl he'd never seen.

For 8 years, these empty chairs and the American people have waited for you to come. We waited because we believe in freedom. We waited because we believe in Poland. And we waited because we believe in you. And today the waiting is over. Lech Walesa, man of freedom, is at the White House. We think of it as the house of freedom. Lech Walesa, on behalf of the people of the United States, I am proud to say to you: Take your place in this house of freedom. Take your place in the empty chair. Now you can have a seat.

In just a few days, you will be the second private citizen from abroad—second in our history—to ever address a joint meeting of Congress, after the Marquis de Lafayette in 1824. And like him, you helped win an historic struggle. And like him, you represent not only a people but also an idea—an idea whose time has come. And nothing can stop an idea whose time has come. That idea is freedom. The time is now.

You were called a nobody, but Lenin and Stalin have been disproved not by Presi-

dents or princes but by the likes of an electrician from Gdansk and his fellow workers in a brave union called Solidarity. The Iron Curtain is fast becoming a rusted, abandoned relic, symbolizing a lost era, a failed ideology. And the change is everywhere—Poland, Hungary, Czechoslovakia. And ladies and gentlemen, the week that brought Lech Walesa to America is the week that the headlines proclaimed, "And the Wall Comes Tumbling Down."

So, what is happening in Berlin and on our television screens is astounding. World War II, fought for freedom, ironically left the world divided between the free and the unfree; and most of us alive today were born into that sundered world. And now almost 50 years have passed, and some have wondered all these years why we stayed in Berlin. And let me tell you! We stayed because we knew, we just knew—all Americans—that this day would come. And now a century that was born in war and revolution may bequeath a legacy of peace unthinkable only a few years ago.

The story of our times is the story of brave men and women who seized a moment, who took a stand. Lech Walesa showed how one individual could inspire others—in them a faith so powerful that it vindicated itself—changed the course of a nation. History may make men, but Lech Walesa has made history. And I believe history continues to be made every day by small daily acts of courage, by people who strive to make a difference. Such people, says Lech, "are everywhere, in every factory, steel mill, mine, and shipyard—everywhere." And we've certainly seen them in the American labor movement, where from the leadership of Lane Kirkland to the rank and file across the country, they have struggled in the vanguard of the free labor movement around the world.

Our own humble electrician, Ben Franklin, declared that "Our cause is the cause of all mankind, for we are fighting for their liberty in defending our own." And like Franklin, who seized lightning from the skies and brought it to Earth, Lech Walesa seized an idea, a powerful idea, and with it electrified the world. The idea is freedom. And the time is now.

Country by country, people by people,

year by year, courageous new voices are raised in a hundred languages—Spanish, German, Chinese, Russian. And yet from these varied lips comes a word all can understand: freedom. And with one voice, the people of the world have spoken: freedom. In America, it's our greatest natural resource, the secret of our success. And freedom will bring success to Poland, too. American aid has begun, and more is coming. From Washington to Warsaw, Kansas City to Krakow, from Green Bay to Gdansk, Americans are linked in spirit with the Polish people in their brave struggle for opportunity, prosperity, and freedom.

Lech Walesa, by your abiding faith and by the miracle of democracy's new birth in your homeland, you have come to personify the new breeze that is sweeping the world, East and West—the spiritual godfather of a new generation of democracy. And even while Solidarity was banned, your example and the example of the Polish people was mirrored across Asia when "People Power" became a chant, first in the Philippines and then in Pakistan and South Korea and, yes, even in Tiananmen Square. The whole world is watching, and the whole world is with you.

Thank you, Poland, for showing us that the dream is alive. And thank you, Poland, for showing us that a dream wrought by flesh and blood cannot be stilled by walls of steel. Thank you, Poland, and thank you, Lech Walesa.

And now, it is with great pride that I bestow the medal, previously awarded to the likes of Martin Luther King and President John F. Kennedy, Anwar Sadat, Mother Teresa. It is our nation's highest civilian honor. So, Mr. Walesa, if you'll come over here, let me read the citation:

To Lech Walesa, of Gdansk, Poland, the Presidential Medal of Freedom. Lech Walesa has shown through his life and work the power of one individual's ideals when combined with the irresistible force of freedom. Through moral authority, force of personality, and demonstrated heroism, he has inspired a nation and the world in the cause of liberty. The United States honors a true man of his times and of timeless ideals: Lech Walesa, distinguished son of Poland, champion of universal human rights.

Mr. Walesa. Mr. President, ladies and gentlemen, I'm deeply moved and gratified that I'm here, in the Capital of the United States of America and the White House, greeted so warmly by President George Bush in the company of American-Polish friends.

One of the greatest dreams of my life has thus been fulfilled. I'm full of admiration for your country not because it's a big power and not because it's rich, even though one could envy that. I admire America as a country of freedom—freedom of man and freedom of a nation. You took that freedom yourself. Nobody gave it to you as a present. You built it through your hard work, step by step. You created wonderful democratic institutions, which are an example for many other countries. But most, before others, you created human attachments to freedom.

America is a free country because American workers and farmers are and want to be free—technicians and engineers, bankers and industrialists. America is rich with its freedom. It shares it with the immigrants. Some are looking for freedom from misery, and others are looking for freedom from persecutions. That is why I so highly cherish the Presidential Medal of Freedom. Poles know the price of freedom as very few nations of the world. They know how to fight for freedom. They know how to defend freedom. Now my country has entered the road of freedom. It's rebuilding its independence and democracy. It's restoring sense to labor and economy. I'm sure that we will not get away from that road.

Mr. President, for yours and our freedom, for the American Nation, for the freedom of all nations of the world, thank you very much for this wonderful, wonderful distinction.

The President. Please be seated. Before we conclude, there is one more person with us today whose dedication to Solidarity and

to free trade unions I feel we must recognize. You all know how crucial has been the work of the AFL-CIO in helping *Solidarność* through difficult times and in promoting free trade unions and democracy around the world. So, Lane Kirkland, would you please come up here, sir. For over a decade, under your leadership, you and the union have been pathbreakers for freedom, continuing the support for free trade unions around the world. And in Eastern Europe, your support was crucial. And you were there—you, personally, were there—in the hour of greatest need, helping to keep alive the dream of democracy in Poland.

And so, Lane, on behalf of a grateful nation, I want to present you with the Presidential Citizen's Medal. And the citation reads:

As President of the AFL-CIO, Joseph Lane Kirkland has worked tirelessly and effectively in support of Solidarity, free trade unions, and democratic principles. America honors him for this dedication, which has helped spread the lamp of liberty in Eastern Europe and across the globe.

Congratulations!

Mr. Kirkland. Mr. President, you must like surprises because I was extraordinarily surprised by your very generous act in enabling me to share an honor with the man who towers in the world today for his achievements: Lech Walesa.

I can only say that it's what I think I try my best to stand for today that merits any such recognition. And what I do stand for—the instrument and the principle of free trade unionism—is today a lever that can move the world. And to serve that is a privilege for any person. Thank you again, Mr. President.

Note: The President spoke at 6:07 p.m. in the East Room of the White House. Mr. Walesa spoke in Polish, and his remarks were translated by an interpreter.

Remarks Following Discussions With President Lech Walesa of Poland in Warsaw

July 5, 1992

President Walesa. I'd like to state once again that we owe a great deal to America. We'd like to pay tribute to the President and try to do everything to retain the interest of the States and of Mr. President, and at the same time making it as good as possible for America.

American involvement in leading towards democracy was great. And in Poland, American involvement is necessary for Europe. We simply cannot envisage Europe without an American presence.

It is not safe at all here after the dismantling of the Soviet Union, only today the dangers are somewhat different. And I am convinced that without U.S. presence we won't make it at all. That is why I wish to thank the President and to thank America for everything that Central Europe has achieved, particularly in this very special moment, and hoping for the presence of the President and of America in order for us to be successful. It can be successful; it can be great business; however, only if we do it together.

Once more I wish to welcome you most cordially, Mr. President and your delegation. And I would wish you less problems with this part of the world.

President Bush. And may I just respond and tell the Polish side here what I've just told President Walesa, and that is we have every intention of remaining involved. We appreciate the President's understanding of the importance of NATO. And we feel that a vigorous trade between Poland and the United States is in our interests as well as Poland's.

So I told the President we would do everything we can to keep the United States involved, to keep a strong NATO, to stay in touch on the security side of things, and then to figure out what we can do to go forward on the trade matters because we think he has properly assessed the security concerns and economic concerns in Europe, and we want to continue to be helpful. And we will be. We will be.

There is a great affection in the United States for Poland, as you know from your visits there. And the fact that Poland wants us to do what we're doing, stay involved, to be constructive partners, that's very helpful for the United States, too. So thank you for your hospitality.

Note: The remarks began at 12:45 p.m. in the Green Room at the Royal Palace. President Walesa spoke in Polish, and his remarks were translated by an interpreter. A tape was not available for verification of the content of these remarks.

Remarks to Polish Citizens in Warsaw

July 5, 1992

Thank you, Mr. President, for those very kind words. And good afternoon to Mrs. Walesa. It's a pleasure to be back here. I'm pleased that the U.S. Presidential delegation headed by our own Secretary Derwinski could be here today.

So hello, Warsaw, and hello, Poland. Thank you all for this warm welcome. Barbara and I are honored to be back once more, to come home once more to the birthplace of the Revolution of '89. And I'm especially pleased to come here from America's Fourth of July celebration of freedom and carry that same spirit to a free Poland.

This is truly a homecoming, the day Poland welcomes home a part of its proud history, a great patriot, a patron of freedom. You spoke eloquently of him. Through his long life, Ignacy Paderewski fought for a free and independent Poland. When independence came, Paderewski served as Prime Minister of your new nation. When occupation came, he joined the exiled government. And when he died, America gave this great friend of freedom a place alongside our honored dead in Arlington Cemetery to rest, in the words of our President Franklin Roosevelt: "Poland would be free."

Few knew then how many dark days would come and go, how many lifetimes would pass until this day. When years passed without fanfare or ceremony, when a small, simple

marker took the place of a larger stone, Poles understood. In 5 years or 50 years, Paderewski would one day come home to Polish soil.

Today, a patriot has come home. Today, Poland is free. And what a magnificent day this is. On this Sunday, from St. John's Cathedral to the village churches of Zakopane, the bells toll not simply the solemn requiem but a new beginning, a new birth of freedom for Poland and its people.

It's a new beginning not just for Poland but for all of Europe and the world. It is proper that we mark this new birth in your country. It was here in Poland that the Second World War began. It was here in Poland that the cold war first cast its shadow. And it was here in Poland that the people at long last brought the cold war to an end.

I've said many times that in the deepest sense, the cold war was a war of ideas, a contest between two ways of life. The rulers of the old regime claimed they saw the triumph of the totalitarian ideal written in the laws of history. They failed to see the love of freedom written in the human heart.

I recall my last visit to Poland: The fierce defiance and determination in the faces of the workers gathered in what was then called the Lenin Shipyard in Gdansk, the warmth and the welcome for America made plain to Barbara and me by you, the good people of Poland. We'll never forget it.

Just think of the new world that's emerged these past 3 years: Europe, whole and free; Russia, turning from dictatorship to democracy; Ukraine and the other nations of the old Soviet empire, free and independent. Look at this new world, and remember where that revolution began: right here in Poland.

Today, Poland stands transformed. Your bold economic reforms have earned the world's admiration and support. And what's more, they're working. Shelves that once stood empty are now stocked with goods. Gone is the old Communist Party headquarters, now home to the Warsaw Stock Exchange and the Polish-America Enterprise Fund, providing seed capital to help Poland's private sector growth and prosper. Gone are the slogans and the sham reality; everywhere you hear new voices and new hope. Freedom has come home to Poland.

For all that is new, there are things that have not changed, things that sustained you through the darkest days: Polish strength, Polish spirit, Polish pride. Reaching your dreams will be difficult. I know the sheer volume of new voices can sometimes be deafening. But from the clamor of new voices must come democracy, a common vision of the common good.

Of course, in many places and for many people there is more pain than progress. But we must take care to separate cause from consequence. Poland's time of trial is not caused by private enterprise but by the stubborn legacy of four decades of Communist misrule. Make no mistake: The path you have chosen is the right path. And as you say, Mr. President, it is the path of pioneers. Free government and free enterprise have helped Poland overcome a crippling past. Free government and free markets will bring Poland a bright future.

Poland is no stranger to sacrifice. Many times before, you were asked to do without for the greater good of the state. But today is different. This time, yours is a sacrifice blessed by freedom, the sacrifice of a nation determined to make its destination democracy.

Poland has made great progress in its reforms, moving this country to a new stage in its economic revolution. As always, the United States of America stands ready to help. In 1989, the United States worked with Poland and others to establish a \$1 billion fund to help support a free currency for a free Poland. Now we need to consider new uses for that fund, to help Poland as it faces today's challenges. That's why I am proposing that once Poland is back on track with the IMF that we make that fund available for other uses, perhaps to finance Polish exports or to help capitalize banks to support new businesses. The U.S. contribution alone will amount to \$200 million.

This is a Polish and American idea that I will take to the economic summit at Munich. There I will urge the leaders of the world's great democracies to join with us to seek new ways to help Poland toward progress and prosperity. Let there be no doubt: America shares Poland's dream. America wants Poland to succeed. And we

will stand at your side until success is guaranteed to everyone.

We mark today not simply the memory of a great Polish patriot, we celebrate the men of moral courage who sustain this nation: President Lech Walesa, Father Popieluszko, Pope John Paul II. But Poland could not have come this far, Poland could not have won its freedom if only a few had the courage to stand up against the state. Freedom was won by the everyday heroes of the underground, the men and women who kept faith when faith was forbidden, who spoke the truth against a wall of lies, the true heroes of democracy: the people of Poland.

Your strength of spirit drives away all doubt: Poland will succeed. Poland will succeed because Poles have made this journey before. In a strange new world called America, in the stockyards of Chicago, in the steelworks of Cleveland, in a thousand towns thousands of miles from this land they love, Poles worked and worshipped and built a better life—Polish hands building the American dream. Now at long last, Poles can build that dream right here at home.

As President of the United States of America, as a fellow democrat, as friend of a free Poland, I bring this message: America stands with you. America wants Poland to succeed and to prosper. America wants Poland, now and forever, to be free.

Thank you all for this warm welcome. May God bless the free people of Poland. And may God bless both our great countries, Poland and the United States of America. Thank you, thank you very much.

Note: The President spoke at approximately 2:30 p.m. at Castle Square. In his remarks, he referred to Father Jerzy Popieluszko, an anti-Communist priest who was murdered in 1984.

Munich Economic Summit: Yugoslavia Communiqué July 7, 1992

We, the leaders of our seven countries and representatives of the European Community are deeply concerned about the ongoing

Yugoslav crisis. We strongly condemn the use of violence in the former Yugoslavia and deplore the suffering inflicted upon its population. We particularly deplore those actions directed against civilian populations, as well as the forced expulsion of ethnic groups.

Although all parties have contributed to this state of affairs, the Serbian leadership and the Yugoslav army controlled by it bear the greatest share of the responsibility. We support the EC Conference on Yugoslavia chaired by Lord Carrington as the key forum for ensuring a durable and equitable political solution to the outstanding problems of the former Yugoslavia, including constitutional arrangements for Bosnia and Hercegovina.

We call on all parties to resume negotiations in that conference in good faith and without preconditions. We welcome the close consultations between the conference chaired by Lord Carrington, the EC, the U.N. and other parties concerned with the Yugoslav crisis.

These consultations could lead to the holding of a broader international conference to address unresolved questions, including issues related to minorities. We stress the absolute need for the parties in former Yugoslavia to show the will for peace which is indispensable to success and without which the peoples of former Yugoslavia will continue to suffer.

The tragic humanitarian situation, especially in Bosnia and Hercegovina, is unacceptable. We fully endorse as heads of state and government the efforts of the international community to provide relief. We welcome the efforts made in achieving the opening of the airport of Sarajevo, and we support actions taken by UNPROFOR to secure the airport.

The blockade of Sarajevo must be lifted, and the shelling of the town stopped in order to sustain a comprehensive relief operation. We express our gratitude to all participants in the airlift to Sarajevo and the supply of its population. We appeal to all parties in Bosnia and Hercegovina not to imperil humanitarian effort.

We firmly warn the parties concerned, including irregular forces, not to take any action that would endanger the lives of those engaged in the relief operation. Should these

THE WHITE HOUSE

WASHINGTON

September 9, 1992

MEMO FOR GARY BLUMENTHAL

FROM: LINDA R. TRIPP *LR*

SUBJ: **ETHANOL**

Attached is Bob's note back to you, reference the meeting with corn growers yesterday -- he has not as yet seen your report, but thanks in advance on his behalf!

On another front, he is going to be unable to spearhead the ethanol effort here at the White House for the duration -- and at his direction I have advised Ede Holiday that he would like her to facilitate WH participation with interested parties as the requests come in -- with your able assistance, of course.

If I could, I'd like to ask that you continue to keep Bob informed (by brief reports) as events unfold. Thanks.

cc: Ede Holiday

THE WHITE HOUSE
WASHINGTON

September 8, 1992

MEMORANDUM TO LINDA TRIPP

FROM:

GARY BLUMENTHAL *Gary*

SUBJECT:

Meeting with Corn Growers

A group of us will be meeting today in the ~~Roosevelt Room~~ from 2:00 to 3:00 pm with representatives of the ~~National Corn Growers Association~~ to discuss ethanol.

It would be a ~~tremendous public relations boost~~ if Bob found the opportunity to ~~stick his head into the room, shake hand, say two sentences about satisfactorily resolving the matter, and then leaves the room on the basis that they're in good hands and he has other pressing business.~~

Participants include:

Tim Trotter, President of the Corn Growers

Keith Heard, Exec. Dir. of the Corn Growers

Randy Cruise, President-Elect of the Corn Growers

White House staff: Bob Grady (WHO), David Demarest (OPL)--stop-by, Teresa Gorman (OPD), Molly Osbourne (OPL), David Rivkin (OVP), Rob Swanson (Counsel), Gary Blumenthal (OPD)

We are also having a 4:00 pm shootout over the science of ethanol in Room 180. We will have a big group and probably will be too messy for Bob to wade into!

Appreciate his consideration of the Roosevelt Room stop-by and sorry for the late word.

*9/8 Gary
I'd welcome a brief report.
Sorry, I was blown away on this*

THE WHITE HOUSE
WASHINGTON
September 21, 1992

MEMORANDUM FOR BOB ZOELLICK

FROM:

EDE HOLIDAY *AK*

SUBJECT:

SBA Announcement

Pat Saiki intends to announce a deregulatory streamlining of SBA's minority small business program tomorrow. Attached is a draft press release. Pat has asked for guidance as to whether there are any objections to her going forward. Tomorrow is the only day she is in town for some time.

Attachment

Announce _____ Hold Announcement _____ Let's Discuss _____

9/22

performed Ede
by phone 9/23 735 AM

Ede,

I trust this is resolved per
our conversation

RE

92-

DRAFT

Immediate

D.J. Caulfield
202-205-6742**SBA STREAMLINES MINORITY PROGRAM; EASES ENTRY, CONTRACT PROCESS**

WASHINGTON -- As part of President Bush's plan for overall government deregulation, Administrator Patricia Saiki of the U.S. Small Business Administration (SBA) today announced plans to streamline the agency's Minority Small Business (MSB) program to increase efficiency and broaden participation.

"This business development program, targeted to minorities, must be more inclusive and it must deliver its services in a more timely fashion," said Saiki.

The reorganization, which requires some Congressional approval, will ease eligibility and procurement regulations, increase federal contracting opportunities and target delivery of SBA business development services.

Saiki unveiled the proposal at a briefing also attended by Judith Watts, associate administrator for the Office of Minority Small Business and Capital Ownership Development (MSB&COD). This office directs the agency's key minority-oriented commercial initiatives, the 8(a) business development program and 7(j) management and technical assistance program.

Once the plan is approved, new 8(a) applicants will notice an immediate improvement from a more flexible and realistic eligibility standard, a move intended to boost enrollment far beyond today's level of slightly more than 4,000 firms. An individual firm's success from that point on largely will be decided by its own abilities and resources, coupled with business development assistance provided by the SBA.

DRAFT

The SBA's participation in the awarding of federal contracts will also be affected.

"Now," said Saiki, "all 8(a) contracts involve the SBA administratively, a disincentive to federal buyers looking to negotiate quickly and directly. The new procedures will remove the SBA from this administrative role, simplifying the process and encouraging wider use of 8(a) throughout the federal system."

The creation of a federal government-wide small disadvantaged business (SDB) procurement program with mandated goals will bring about new, expanded contracting opportunities.

In conjunction with this expansion in marketplace, the SBA proposes to do away with the requirement that 8(a) contracts exceeding a \$3 million threshold (\$5 million for manufacturing) be competed among 8(a) firms. The agency sees this as limiting the 8(a) company's opportunity to gain valuable experience competing in this newly-created market.

Other recommendations include:

- Establishing a pilot 8(a) graduate assistance program whereby firms that left the program and now compete successfully in the economic mainstream mentor current 8(a) participants;
- Targeting 7(j) management and technical assistance to 8(a) firms in four specific areas, marketing assistance, proposal preparation, accounting systems and industry specific technical expertise; and
- Replacing the two stages of 8(a) participation (a four-year development and five-year [maximum] transition phase) with only one level and offer all program benefits to all participants throughout the nine-year term.

###

9/22

Steve Provost

I think this works -- do you?

R2

To: Bob Teeter
From: Jim Oberwetter
Date: September 9, 1992
Subject: Trial Lawyers

I am sure you have heard this before, but I would like to make a point since I have just hung up the telephone from talking with the president of the Texas Bar Association, a good friend of ours, Harriet Miers.

Harriet indicates that increasingly a number of attorneys that are supportive of President Bush are tiring of the term "trial lawyer" being used in a way which brushes the entire legal community. They see this happening when the Vice President speaks about tort reform and the trial lawyers, and also when the President speaks without making any distinction between the various kinds of lawyers that are causing the problems.

She recognizes what we are trying to do but suggests that the good minds in Washington be put to work defining more narrowly the lawyers who abuse the tort system. Her suggestions would be to use the terminology "plaintiff's personal injury lawyers" or other words that zero in on the class of attorneys who are culpable.

This has also come up, Bob, in our internal kitchen cabinet meeting, so I think that this is a growing problem in terms of terminology. Some of our kitchen cabinet participants think that we could even zero in on this group by calling them "ambulance-chasing lawyers" or "ambulance-chasing personal injury lawyers" or words to that effect.

The lawyers understand why we are trying to shorthand this by using "trial lawyer," but those from the larger corporations who are involved in a lot of trial work on the positive side of this are now beginning to react badly and want the definitions sharpened if at all possible.

I hope you can find a way to assuage their concern.

/kt



Department of Energy
Washington, DC 20585

September 1, 1992

TO: BOB ZOELICK
FROM: REID DETCHON, 586-9220 *Reid*
SUBJECT: PRESIDENTIAL INITIATIVES

Attached is a brief overview of a proposed Presidential initiative that I believe could have substantial impact in such States as Michigan, Ohio, Illinois, California, and Texas. It is a challenge/incentive to Detroit to produce a new generation of American cars that would be cleaner, more efficient, more competitive, and less reliant on imported oil. It builds on what the President said in Detroit and seizes the high ground -- turning to technology, not regulation, to create new jobs and secure our economic future.

The President's leadership in this area -- as shown by the U.S. Advanced Battery Consortium -- is one of the least recognized of his accomplishments but is leading to a fundamental shift in the cars we drive and the fuels we use. There is an opportunity to take credit and be positive on the economy and the environment. We have every reason to believe the U.S. automakers would be enthusiastic about the initiative.

Assistant Secretary Mike Davis and I would be happy to come and brief you at your convenience. FYI, Bob Grady has a previous copy of this package.

cc: Bob Grady

Glad you're aboard!

9/20

*TB → Bob Grady
Dennis R*

Should this be part of our technology initiative? (on Friday)

RBZ

SUBJECT:

HYBRID VEHICLE DEVELOPMENT CHALLENGE

The search for a cleaner and more efficient car need not begin and end with emission standards and CAFE. Better automotive design and new technology can result in a new generation of American cars that would be cleaner, more efficient, more competitive, and less reliant on imported oil -- with the President leading the way and using the purchase power of the Federal government as the reward.

When the National Energy Strategy legislation is enacted, the President could congratulate Congress on finally producing a bill and point to the very considerable progress the Administration has made since he submitted the legislation 18 months ago. He could then tie that legislation to a challenge that addresses the needs of both our economy and environment.

The Department of Energy, he would announce, will commit \$150 million over the next five years to cost-share the development of a new generation of American cars -- cars that would have the size, safety, and performance of the cars we drive today, but that would be twice as fuel-efficient and virtually emission-free, that would run on alternative fuels produced in the U.S., and that would cost no more to own over their lifetimes (25 percent more in purchase price) than cars do now. This partnership would involve our automakers, fuel suppliers, and component manufacturers.

If they can meet that challenge, he would say, there is a billion-dollar purchase order waiting from the Federal government -- in the form of alternative fuel vehicles to be bought for the Federal fleet, as directed by the President's Executive Order on Federal energy management and required by the NES legislation. He could then challenge the State's governors to join with him in a similar commitment and double the ante to Detroit.

(More detailed talking points are attached.)

Funding for this effort was included in the FY 93 budget request and has been approved through the final stages of the appropriations process.

Beyond the automotive industry, which affects one out of every seven jobs in this country, support is likely from producers of natural gas, ethanol, and electricity, from environmental groups, and from other potential participants such as the aerospace industry in California, which has formed the CALSTART consortium to bring its expertise to the manufacture of advanced electric vehicles. Accordingly, we would recommend that Cabinet officers be positioned around the country (e.g., Watkins in Detroit, Card in Los Angeles, Reilly in Dallas, Madigan in Chicago) to tailor the President's announcement to important constituencies.

We have begun workshops with U.S. automakers and component suppliers to discuss the specifications for this solicitation, which we plan to issue as soon as October 1 in any case. We have discussed this proposal with the Deputy Administrator at GSA (who simply said he would follow OMB's lead) and with the Deputy Secretary at Transportation, who was supportive.

In short, we have the money to proceed; we have a solicitation in preparation; the government is committed to buying increasing numbers of alternative fuel vehicles -- why not get the benefit the President deserves?

The President's Record on Advanced Automotive Technology and Fuels

- July 1989 **Proposed Clean Air Act Amendments.** The President proposed to reduce auto emissions by requiring that 25% of all U.S. gasoline contain oxygenates (clean-burning additives) by 1995.
- February 1990 **Issued National Transportation Strategy.** The President proposed new transportation R&D to advance U.S. technology and develop more energy-efficient, lower-emission vehicles.
- November 1990 **Signed Clean Air Act Amendments.** The legislation requires the use of oxygenates in carbon monoxide non-attainment areas.
- February 1991 **Issued National Energy Strategy.** The President proposed a major new initiative to promote the use of alternative fuels. Among the specific proposals:
- o Require fleets of 10 or more cars or light-duty trucks in 22 urban areas to purchase increasing numbers of alternative fuel vehicles (AFVs) beginning in 1995; 90% of purchases for fleets of this size would be AFVs by 2000.
 - o Eliminate 1.2 mile-per-gallon cap on CAFE credits for AFVs.
 - o Accelerate federal government purchases of AFVs and coordinate those purchases with state purchases. The federal government purchases 44,000 cars and trucks every year and maintains a civilian fleet of 200,000.
 - o Boost alternative fuels R&D. Administration budgets have risen from \$16 million in FY 90 to more than \$72 million in the 1993 request.
- April 1991 **Issued Executive Order 12759 - Federal Energy Management.** The President required Federal agencies to acquire "the maximum number practicable" of AFVs. To date, the Federal government has acquired more than 5,000 AFVs, with specific plans to reach 150,000 by the year 2000. The President also set a goal of reducing Federal agencies' use of motor vehicle gasoline and diesel consumption by 10% by 1995, compared to 1991 levels.
- October 1991 **Announced Cooperative Agreement with the U.S. Advanced Battery Consortium.** This pioneering agreement brought the U.S. auto industry together with the Department of Energy on a 4-year, \$260 million project to develop advanced batteries that will help U.S. automakers lead the world in the commercialization of electric vehicles. The mid-term goal of this initiative is to have production feasibility and full-scale vehicle tests of advanced batteries by 1994.
- September 1992 **Hybrid Vehicle Development Challenge.** [Enactment of national energy legislation would be an ideal opportunity for the President to issue an challenge to Detroit and the world.]

- We started by introducing sweeping amendments to the Clean Air Act only a few months after taking office. Congress worked with me, and we were able to get an improved Clean Air law in 1990.
- We issued a National Transportation Strategy in 1990 and a National Energy Strategy in 1991, which picked up and expanded Clean Air Act efforts on transportation efficiency and increased use of alternative fuels.
- In April of last year I signed an Executive Order requiring Federal agencies to lead the way in energy efficiency, including a 10% reduction of Federal gasoline use by 1995 and increased Federal purchases of alternative fuel vehicles.
- Recognizing that the future belongs to advanced vehicles, we entered into an historic agreement with the U.S. auto industry to pursue advanced batteries, to help our automakers be the first in the world to commercialize electric vehicles. The industry is working together through the U.S. Advanced Battery Consortium, and splitting the cost of a 4-year, \$260 million program with the Federal government. The progress of the Consortium so far has been terrific and will directly contribute to the production of these hybrid vehicles.

o There are two points to make:

1. This Administration has been very busy for the last 3 and a half years, pursuing a plan that has led us to today. We could not issue this challenge, nor back it up with a commitment of \$1 billion, if it weren't for these efforts. Only because of this foundation are we ready today to take this leap forward.
2. Our approach to one of the world's most serious environmental problems, air pollution caused by automobiles, stresses technology development over market-strangling regulation. What's the difference? American industry will grow stronger, not weaker, as we address environmental problems. We will lead the world with the best products, and American workers will prosper.

Some would say we should write a \$100 billion check to the rest of the world to persuade them to behave in an environmentally responsible way. I say it's better to spend our money here at home to develop environmentally responsible technology. I say it's better to export the products of American ingenuity, in the form of new cleaner-running cars, than it is to export our hard-earned wages. That way, we can be certain of the environmental benefits. That way, the payoff will be clean air, not hot air.

o Technology, producing jobs, is the answer to both our environmental and economic problems, not income redistribution and debilitating regulation for the sake of appearing politically correct. As President, I have charted a pro-growth environmental policy, which today's event symbolizes. Indeed, "environmentalism" is only possible as a result of the wealth produced by a thriving economy. Anybody who tells you different is trying to sell you snake oil.

Hybrid Vehicle Development Challenge -- Talking Points

- o This Nation is engaged in a fierce worldwide economic competition. Our trade position has deteriorated steadily in the production of cars and fuels. This has had a painful impact on our economy, as industry contracts and American jobs are lost. But we can have the best cars in the world made in America, running on environmentally cleaner fuels produced in America.
- o Today I am challenging U.S. auto companies, U.S. fuel suppliers, big and little businesses to come together to develop the power system for a new generation of American cars and light trucks -- vehicles that will have the size and safety and performance we expect, that will be twice as efficient as today's new vehicles, and that will meet or exceed the toughest emissions standards in the world.
- o Vehicles that use hybrid power systems can deliver on these objectives. A hybrid power system combines a small conventional engine with electric power. When run as an electric vehicle (primarily in city driving), it would be emission-free; when the engine is needed, it would have reduced emissions because it could run at constant speed and use cleaner alternative fuels. The hybrid vehicle is the bridge technology to future advanced vehicles like all-electric or fuel cell vehicles.
- o Here's the challenge. The new cars or light trucks with these power systems must be capable of running on alternative fuels. They must get the equivalent of 55 miles per gallon of gasoline. They must be able to run emission-free for 60 miles and at very low levels for 200 miles before refueling. And they must cost no more than 25 percent more than comparable conventional vehicles. Not only will this cost cap prevent these new vehicles from being priced out of the market, it also will ensure that the difference in purchase price will be recaptured by the owner through reduced operating costs over the vehicle's life.
- o And here's the prize: If this challenge is met -- with a car or light truck that meets our performance and cost criteria -- I'm committing \$1 billion towards the purchase of these vehicles for the Federal fleet, beginning in 1998. The ultimate reward will be much larger. The team that builds these cars will have the world as its market, not just the Federal government.
- o The Federal government currently buys 44,000 vehicles every year. My Executive Order on Federal Energy Management requires increasing numbers of those purchases to be alternative fuel vehicles. In 1998, we've committed to buying 25,000 alternative fuel vehicles, and I want to spend that money on the most advanced vehicles in the world.
- o I call on the Nation's governors to join with me in this challenge. If the States collectively match our purchase plans, we can guarantee a \$2 billion market for these cars.
- o This is the culmination of steps we've taken over the last three years to promote the development of new technology for transportation. Let's review the record:

September 4, 1992

NOTE FOR ROBERT ZOELLICK

FROM: Hollis S. McLoughlin *HSM*

It has come to my attention that Hugh McColl, Chairman of Nations Bank is considering endorsing Bill Clinton.

Mr. McColl has been very supportive and appreciative of Treasury's aggressive approach on reform of the financial services sector, particularly interstate banking. However, he apparently believes that the White House was opposed to banking reform and will continue to be next year.

My information is a discussion with him on the importance of interstate banking would be helpful.

Please call me to discuss.

cc: Ede Holiday

9/20
Josh Belfer
I don't know if this is still
current, but did you okk with
Hollis to see if you or someone
else need to contact this
person?
John
122

THE WHITE HOUSE
WASHINGTON

September 16, 1992

9/19
To → Henson Moore
• Fine to proceed as you desire
• Let me know what happens
cc. D. Rios

MEMORANDUM FOR: ROBERT B. ZOELLICK, ASSISTANT TO THE PRESIDENT
AND DEPUTY CHIEF OF STAFF
THROUGH: W. HENSON MOORE, ASSISTANT TO THE PRESIDENT FOR
INTERGOVERNMENTAL AFFAIRS
FROM: JOHN A. CLINE, SPECIAL ASSISTANT TO THE PRESIDENT
FOR INTERGOVERNMENTAL AFFAIRS
SUBJECT: **AUTOMATIC BENEFITS TRANSFER (ABT) FOR THE STATE
OF SOUTH CAROLINA**

Last week, Governor Carroll Campbell (R, SC) expressed strong concern that the Administration was not seizing an opportunity to take credit for a Welfare Reform initiative that his state had devised with the Agriculture Department. **Governor Campbell believes that Governor Clinton will soon announce his intention to introduce a nation-wide plan, similar to the state-wide plan that Campbell is advocating.**

This plan, which the Agriculture Department is ready to approve, would allow the state of South Carolina to issue to all Food Stamp recipients in the state, a **"debit card" in lieu of the customary food stamp coupons.** This card, known as an Automatic Benefits Transfer (ABT) Card, would provide the recipient with the same benefits, but it should substantially reduce the high levels of fraud and other abuses associated with the current food stamp coupons. In addition, it should minimize the embarrassment recipients feel when they have to present the coupons at the grocery store. This process would be virtually indistinguishable from the use of credit cards or any other bank debit card system, which many grocery stores are now offering.

Bill O'Connor, Chief of Staff to Secretary Madigan informed me today that they are **prepared to announce the approval of the South Carolina plan on Friday, September 18, 1992, unless they hear otherwise from the White House.** He said that the Department has in the past attempted to get the White House to elevate this idea to a higher level, perhaps for a POTUS announcement. There have been four previous plans approved for other states, however this appears to be the most comprehensive.

We recommend that a **letter be sent to Governor Campbell from POTUS congratulating him for this effort and alluding to a national application of this idea.** The Governor could then release the letter and offer comments on POTUS' leadership in welfare reform and the elimination of waste in government.

N.B. I understand OMB may have some concerns with these plans, so we would **coordinate the clearance with Director Darman, as well as Cabinet Affairs and Agriculture.**

THE WHITE HOUSE

WASHINGTON

September 16, 1992

MEMORANDUM FOR ROBERT ZOELLICK
DEPUTY CHIEF OF STAFF

FROM: W. HENSON MOORE *W. Henson Moore*
ASSISTANT TO THE PRESIDENT
FOR INTERGOVERNMENTAL AFFAIRS

SUBJECT: Political Intelligence

I am a member of a Republican Congressional fraternity, SOS, which meets every Tuesday afternoon to discuss politics and the business of the House and Senate. I attended the meeting on September 15th and learned the following from active Members of Congress:

Ohio - Congressman Ralph Regula says the economy is the issue and the voters are mad at the President, but do not trust Clinton.

Arizona - Congressman Jay Rhodes says we are behind today, but he thinks we will ultimately win. Perot will be on the ballot.

Florida - Congressman Bill McCollum says we have not yet satisfactorily convinced the business community of what will happen to them with Clinton as President and a liberal Democrat Congress. The President now vetoes bad legislation for business which Clinton will sign. He believes we are even in Florida.

Iowa - Congressman Fred Grandy says we will lose the state.

Nebraska - Congressman Doug Bereuter says that according to the most recent poll, the President is ahead in Nebraska by seven points, but is behind in his congressional district by five points. Under the new system in Nebraska, the President would lose one electoral vote to Clinton if he does not carry Bereuter's district. He says ethanol is a most important issue in his state.

Pennsylvania - Congressman Larry Coughlin says that according to the latest poll we are behind by eleven points, but he believes it is definitely winnable. Congressman Dick Schulze agreed.

California - Congressman Tom Campbell said the President made the right decision in California to move his emphasis from the family value theme to his new economic agenda. He said it is playing well in California. If Perot runs, he thinks it will help the

President in California as there is no fervor for Clinton, just anger at the status quo. He thinks we are still twenty-one points behind. He believes the Mexican border illegal alien issue is a major issue for Southern California.

Georgia - Congressman Gingrich says the President has come back, is still behind, but the trend lines are pro-Bush.

THE WHITE HOUSE

WASHINGTON

September 16, 1992

MEMORANDUM FOR ROBERT ZOELLICK
DEPUTY CHIEF OF STAFF

FROM:

W. HENSON MOORE *W. Henson Moore*
ASSISTANT TO THE PRESIDENT
FOR INTERGOVERNMENTAL AFFAIRS

SUBJECT:

Lone Star Steel

Will Ball sent the attached information to me concerning a proposed Export-Import Bank framework agreement with Russia for the sale of oil field pipe manufactured by Lone Star Steel to the Russian oil fields.

There seems to be some hold-up or difficulty in executing the agreement and evidently they are asking for our assistance. Obviously Texas is an important state and such an agreement would demonstrate the President's ability to promote trade. Let me know if I can do anything to be of help.

9/19 Henson,
Why don't you explore + further, pls?
CI involving can you do the research

DK

RBZ

NATIONAL SOFT DRINK ASSOCIATION

Facsimile Transmittal Sheet

DATE September 3, 1992TO: Mr. Tommy Whaley
(Name)FAX NO. (903) 938-6631PHONE NO. 903/938-6621FROM: Ann Banta for William L. Ball, III
(Name)(202) 463-6733

(Phone Number)

Number of Pages (including this cover sheet): 1

Message:

Mr. Ball asked that I fax you the following information:

Honorable Henson Moore
Assistant to the President for
Intergovernmental Affairs
Room 160
Old Executive Office Building
The White House
Washington, D.C. 20500

Please call me before
sending anything out!

Thanks,
Ann

Per your
conv.

Logan & Whaley Co.

a dependable store since 1884

TOMMY WHALEY

PHONE 903/938-6621 • P. O. BOX 1089
MARSHALL, TEXAS 75671

TOM WHALEY, JR.

September 4, 1992

TO: Henson Moore
FROM: Tommy Whaley

Will Ball talked with you and asked that I send the following information on Lone Star Steel to you.

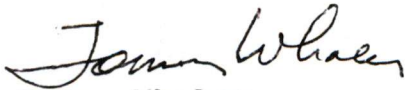
I also sent the information to George W. Bush in Dallas.

Lone Star Steel is the largest employer in East Texas. This would get a lot of ink in our area for President Bush.

It would also apply to others such as Hughes, Dresser and etc.

Thanks for all your help. Lone Star Steel is our largest and oldest customer.

Sincerely,


Tommy Whaley

WE DELIVER THE LARGEST STOCK OF INDUSTRIAL AND SAFETY SUPPLIES
IN THE ARK-LA-TEX TO YOU THE SAME DAY

Logan & Whaley Co.

a dependable store since 1884

TOMMY WHALEY

PHONE 903/938-6621 • P. O. BOX 1089
MARSHALL, TEXAS 75671

TOM WHALEY, JR.

To: Will Ball

From: Tommy Whaley

This guarantee authorizes sales and payments to take place that in less than one year LSS could double the current production rate, produce an extra 20,000 tons of oil country pipe a month, and call back 500 - 800 employees. This would be a \$200 million pipe sales to start right away.

LSS has been approved on this program by EXIM Bank for \$200 million dollars of loan guarantees and are awaiting notification that the program is in place and operative.

Strongly suggest that you allow me to set up a speech for President Bush to make soon announcing this to the front gate of LSS so all the public can come as well as employees.

This would be very significant as LSS facilities are about in their 50th year of operation and voters in East Texas look to it as a "Bell Cow".

Jim Chenoweth and I would like to come to Washington and brief the proper people of the impact this will have on the thinking of the East Texas voters.

WE DELIVER THE LARGEST STOCK OF INDUSTRIAL AND SAFETY SUPPLIES
IN THE ARK-LA-TEX TO YOU THE SAME DAY

INDUSTRIAL & MILL SUPPLIES

HARDWARE

SAFETY SUPPLIES

PIPE & FITTINGS

**LONE STAR STEEL COMPANY**P.O. Box 35888
Dallas, Texas 75235(214) 352-3981
(800) 527-4615

September 4, 1992

Mr. Henson Moore
Assistant to the President
for Inter-Governmental Affairs
Executive Office of the President
1600 Pennsylvania Avenue N.W.
Washington, DC 20050

Dear Mr. Moore:

Lone Star Steel has been mildly successful in selling oil field casing to Russia through an intermediary who barter Russian oil for our pipe. Since we don't feel comfortable being totally dependent on the intermediary, we are trying to sell directly to the end users. We are most anxious to develop this new Russian business and have already made numerous sales trips.

Last April, Export-Import Bank came up with an Oil Framework Agreement that is an excellent program, but they continue to experience aggravating holdups.

The Ex-Im plan basically allows a Russian entity to borrow money to buy our pipe, and to pay off the loan over five years in oil sales.

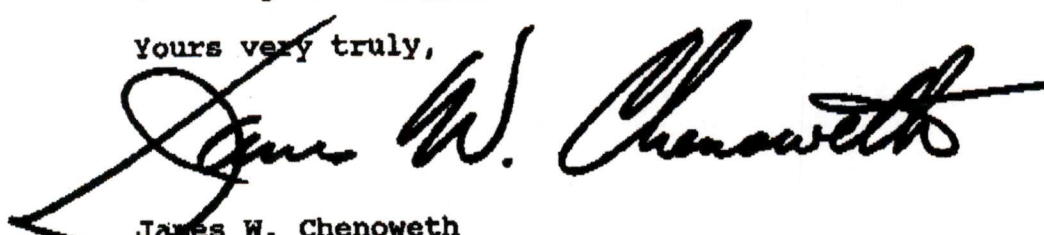
It is a quick and simple way to almost immediately develop hard currency in the Russian economy while obtaining both a necessity (oil field casing) as well as the wherewithal to multiply the effect on the following transaction cycle.

Ex-Im has been most helpful and cooperative with Lone Star Steel, but it appears to me they are getting the Russian runaround. Ex-Im claims the Russians have no quarrel with the Agreement, yet someone keeps throwing a wrench in the works to stall the signing.

I am writing to you in hope that somehow the Russians could be apprised of just how good a deal this is for them (not just ourselves), and perhaps they could be persuaded to get this Agreement into operation.

I certainly would appreciate anything you could do toward clearing this logjam.

Yours very truly,



James W. Chenoweth
Director of Corporate Affairs



EXPORT-IMPORT BANK OF THE UNITED STATES
WASHINGTON, D.C. 20571

TELEX 197681
FACSIMILE 566-7524

July 15, 1992

CORPORATE

JUL 20 1992

AFFAIRS

Lone Star Steel Company
P. O. Box 35888
Dallas, TX 75235

Attention: Mr. James W. Chenoweth
Director of Corporate Affairs

Re: Russia - Preliminary Commitment Application No. 064697

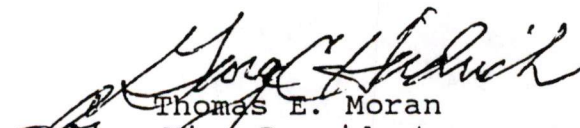
Gentlemen:

We are pleased to acknowledge your application for a Preliminary Commitment to support exports to buyers in the oil sector in the Russian Federation.

Eximbank has opened both its short- and medium-term programs in support of exports to Russia. With respect to exports to the oil sector, special security arrangements are being negotiated with the Ministry of Fuel and Energy and the Central Bank of Russia under which Eximbank direct loans or guarantees could be made available to production associations with security provided by oil delivery contracts. The details related to this structure would be outlined in a Russian Oil Framework Agreement. An Eximbank team led by Vice Chairman Eugene K. Lawson will visit Moscow July 20-24 for negotiations on the final provisions of the Agreement.

We will keep you advised as to the outcome of these negotiations, and look forward to being of assistance in financing your proposed transaction under the terms of the Agreement as concluded.

Sincerely,


Thomas E. Moran
Vice President
Europe and Canada Division

Logan & Whaley Co.

a dependable store since 1884

TOMMY WHALEY

PHONE 903/938-6621 • P. O. BOX 1089
MARSHALL, TEXAS 75671

TOM WHALEY, JR.

SEPTEMBER 2, 1992

TO: GEORGE W. BUSH

FROM: TOMMY WHALEY *TW*

ATTACHED IS AN IDEA FOR YOUR DAD OR YOU TO COME
TO LONE STAR STEEL AND ALSO LONGVIEW TO ANNOUNCE
THIS PROGRAM. THIS IS A NATURAL.

NOTE NEXT PAGE - I SENT THIS TO WILL BALL ABOUT
TWO WEEKS AGO. WILL FORWARDED IT TO DAVID DEMAREST,
JR. ASSISTANT TO PRESIDENT BUSH. COMMUNICATIONS
HAVE HEARD NOTHING.

ALSO ATTACHED ARE PICTURES OF TONY AND J.D. WILLIAMS
AT MY LAKE THAT I PROMISED TO TAKE YOU AS WELL AS
ONE OF WILL BALL IN HIS USUAL POSITION. WILL DID
CATCH ONE MUCH LARGER THAN THESE.

LONE STAR STEEL IS BY FAR THE LARGEST EMPLOYER IN
EAST TEXAS AND NATURALLY OUR LARGEST LONG TIME
CUSTOMER.

LET ME HEAR FROM YOU AFTER YOU READ THIS.

WE DELIVER THE LARGEST STOCK OF INDUSTRIAL AND SAFETY SUPPLIES
IN THE ARK-LA-TEX TO YOU THE SAME DAY

INDUSTRIAL & MILL SUPPLIES

HARDWARE

SAFETY SUPPLIES

PIPE & FITTINGS

Summary of Proposed Oil Framework Agreement

The Framework Agreement provides the structure under which the Export-Import Bank of the U.S. ("Eximbank") may extend or guarantee loans to finance the purchase or lease of U.S. oil production equipment and services by eligible Russian oil production associations. The U.S. oil production equipment and services eligible for Eximbank supported financing will include oil field production equipment, tubular goods, oil field services, drilling fluid additives and chemical agents, and other related goods and services. It is anticipated that as much as US\$500 million to US\$1 billion in U.S. export sales may be financed with Eximbank support.

Following execution of the Framework Agreement by the Ministry of Fuel and Energy on behalf of the Russian Federation (the "Ministry"), the Central Bank of the Russian Federation (the "Central Bank") and Eximbank, Eximbank will be prepared to act on applications for individual loans, or lines of credit to cover multiple transactions, which have been approved by the Ministry and the Central Bank. Both sale and lease transactions of at least US\$25 million will be eligible for Eximbank support. Smaller transactions should be handled pursuant to lines of credit. Individual loan agreements will be negotiated by Eximbank and any commercial lender for each transaction with the relevant production association(s) (or leasing company) acting as borrower.

Eximbank will be prepared to guarantee or lend up to roughly 85% of the U.S. costs of the oil production equipment and services. (The remaining 15% cash payment may be financed but cannot be guaranteed by Eximbank.) Payments of interest and/or principal will commence six months after delivery or installation of goods or performance of services, with full repayment due within five years of the first payment date. Interest on Eximbank direct loans will be fixed at the Commercial Interest Reference Rate; interest on guaranteed loans will accrue at the rate set by the commercial lender(s). Eximbank will charge its customary fees for providing or guaranteeing a loan; exposure fees may be financed.

Financing for transactions -- both the 85% Eximbank supported loans and the 15% cash payment loans -- will be secured under an overall escrow arrangement operated by a single escrow agent. The Ministry and the Central Bank will select the office or branch (located outside of the U.S. and Russia) of an investment grade bank as the escrow agent. For each transaction, a separate escrow account will be established with the escrow agent to service the indebtedness owing to the lenders. The escrow agent will provide Eximbank with periodic reports on activities under the escrow accounts and the escrow arrangement in general.

Payments by foreign purchasers of oil under sales contracts will be made into the escrow account established for that transaction. The escrow agent will keep on deposit in the escrow account an amount sufficient to pay the next three installments of interest and/or principal due under the both the Eximbank-supported loan and the cash payment loan. Any excess amount will be transferred first to the Russian Government in payment of the production association's tax liability with the remainder credited to the production association(s). Payments of principal and interest will be made out of the escrow account.

The proceeds of the oil sales contracts will be assigned to Eximbank and/or the lender(s) and a perfected security interest created in the escrow account in favor of Eximbank and/or the lender(s). In order to be acceptable to Eximbank, the assigned sales contracts must generate proceeds in excess of (a) 150% of the principal and interest due under the Eximbank supported loan and the cash payment loan plus (b) the production association's tax liability. The production associations may be permitted or required to substitute other sales contracts in certain circumstances. (Eximbank may also require as additional collateral security, if practical, an assignment of or security interest in (a) permits and licenses, (b) transportation, shipping and marketing agreements, (c) oil in the ground and/or (d) the financed equipment.)

The Ministry will undertake to oversee the transport, sale and export of the oil sold under the sales contracts. An independent consultant acceptable to Eximbank will be hired to assist the Ministry with these undertakings and to provide semiannual reports to Eximbank. If such services are U.S. services, they will be eligible for Eximbank support. The Ministry will also provide assurances that the production association(s) acting a borrower on a transaction will not be hindered in the fulfillment of their obligations in connection with the loan agreement, the escrow account and, if applicable, the leasing agreement. The Ministry's assurances will be given on behalf of the central, regional and local government authorities and will cover both direct interference in the operations of the production association(s) as well as such indirect actions as taxes and duties. In the event that a production association fails or is unable to meet its obligations, the Ministry will undertake to make alternative arrangements satisfactory to Eximbank so that payments will continue to be made into the escrow account.

The Framework Agreement will set out the production associations that will be eligible to obtain Eximbank-supported financing. The Ministry will represent that these production associations will have the authority to perform their obligations in connection with the loan agreement, escrow account and, if applicable, any lease arrangement. The Ministry will also agree to issue (and not revoke until the Eximbank supported loan is fully

repaid) production, export and sales licenses to the production associations to permit them to meet these obligations.

For leasing transactions, the borrower under the Eximbank supported loan will be a leasing company selected by the Ministry and the Central Bank and acceptable to Eximbank. It is expected that the same leasing company will act as the lessor on all leasing transactions. The leasing company will purchase the equipment, then lease it to the production association(s) under the terms of a leasing agreement acceptable to Eximbank. The Ministry will provide assurances that the leasing company will have the authority to perform its obligations under the loan agreement, leasing agreement and escrow account. The Ministry will further undertake to issue all necessary licenses and approvals.

The Ministry will undertake to ensure that any items financed by Eximbank are suitable and will be properly received, stored, installed, used and maintained. An independent consultant acceptable to Eximbank will be hired to assist the Ministry with this undertaking and to provide semiannual reports to Eximbank. If such services are U.S. services, they will be eligible for Eximbank support. Eximbank will have the right to inspect the financed equipment.

Standard forms of loan agreements, notes, escrow agreements and leasing agreements will be developed by Eximbank and the Ministry. Each loan agreement will require as a condition precedent to disbursement of funds receipt of (a) copies of certain licenses, permits and agreements relating to the production, transport, shipping and sale of oil, (b) foreign exchange permits, and (c) evidence of due establishment of the escrow account and the creation of enforceable security interests.

THE WHITE HOUSE
WASHINGTON

September 15, 1992

MEMORANDUM FOR BOB ZOELICK

FROM: HENSON MOORE *[Signature]*
BOBBIE KILBERG *BK*

RE: POTUS SCHEDULE PROPOSALS

Attached you will find ~~five schedule proposals~~ that request Potus meetings with the Republican Governors and with four other groups of Republican elected officials in key states: state-wide elected officials (below the gubernatorial level), state legislators, mayors, and county executives. Each of these groups has the ability to create media coverage from the meetings in their home states and communities on behalf of the President. The local officials, in particular, also have networks of supporters that they should be activating on the President's behalf. While that effort is underway, a Presidential meeting would further energize them.

Our recommendation for the prioritization of these meetings in descending order is as follows: governors, mayors, state-wide officials (below gubernatorial level), county executives, and state legislators.

9/19

To → Karen Gormer
I don't know how to handle this or
how it fits into our campaign effort. Can you
& Gary figure out what to do with it?

DK
RL

THE WHITE HOUSE

WASHINGTON

September 15, 1992

MEMORANDUM FOR ROBERT ZOELICK
DEPUTY CHIEF OF STAFF

FROM: W. HENSON MOORE *W. Henson Moore*
ASSISTANT TO THE PRESIDENT
FOR INTERGOVERNMENTAL AFFAIRS

SUBJECT: Ouachita Parish Education Event

Attached is a letter to me from a lady I do not know with materials concerning an education event in Ouachita Parish. They are requesting the President, the Vice President or the Secretary of Education as the speaker for mid to late October.

I would strongly endorse this invitation as Ouachita Parish is one of the major population centers in Louisiana and is one of the areas most likely to vote strongly for the President's reelection. Louisiana is a toss-up state and this event could do a great deal to help us carry a very important part of that state in order to carry the state. Obviously, education is a major part of the President's Agenda.

9/17
To → Karen Grimes
RyI
RBZ

THE WHITE HOUSE
WASHINGTON

DATE: 9/16/92

TO: Bob Zoellick
FROM: W. HENSON MOORE
~~Deputy Chief of Staff to the President~~
Assistant

The attached (especially second
page) is a political report on
Oregon from three Republican
legislators.

WHS

9/20

Henson

TH DBE

September 16, 1992

MEMORANDUM FOR HENSON MOORE

FROM: CLIFF ALDERMAN *CA*
Deputy to the Special Assistant to the President
for Intergovernmental Affairs

SUBJECT: MEETING WITH OREGON STATE LEGISLATORS

As I mentioned in our staff meeting this morning, I had lunch with two state representatives from Oregon who were visiting Washington as part of the Alliance for America - Fly-in for Freedom. This is the annual lobbying effort made by Oregon elected officials, members of the business community, and other private interests who oppose further protection of the northern spotted owl at the expense of local jobs.

At lunch were:

Rep. Bob Repine (R) - Chairman of the Oregon House
Committee on Housing and Urban Development

Rep. Rod Johnson (R) - State Representative
representing Douglas County

Brady Adams (R) - Candidate for state representative

Donna also came to lunch with us, as she has responsibility for doing the Oregon briefing papers.

Repine and Johnson claim they represent the area that is at the heart of the controversy regarding protection of the spotted owl. Each state legislative district represents approximately 55,000 people.

During the course of our lunch, we discussed the many items, including how we could better serve them. Their basic purpose was to get a better handle on how to work the system here (Washington). I feel it was very productive. I'm sure Donna will pass on some information as well, but thought I would share with you the following information:

- o The White House hosted a briefing for the Fly-in for Freedom group this morning. Repine and Johnson said that they were put in touch with the Campaign and they both did radio actualities supporting the President's position regarding the Endangered Species Act.
- o They agreed to forward information to us regarding developments on the spotted owl issue as appropriate. They feel that just dealing with Governor Roberts on this issue is a big mistake. In fact, they mentioned that in their polling for state legislative challengers, they found that around 65 percent of the people polled opposed any position if they were made aware that Governor Roberts supports it.
- o They felt that the denial of the Oregon Medicaid Waiver was a big tragedy. They called it a tragedy because they said they were given no advance warning from the Administration on how to frame the issue to limit the damage caused by the denial announcement. They claim to still be doing damage control on that one.
- o They said that while the press are reporting Clinton in the lead for Oregon, they feel that the race is actually much tighter. There is strong sentiment for change there. As Rod Johnson put it, this year Oregonians are deciding who they will vote for by their emotions, not by their intellect. They were realistic, though, and noted that Bush did not carry Oregon in 1988.
- o They also felt it is much wiser to go after Gore in Oregon rather than Clinton. They feel his type of environmentalism would really turn people off there. They also said that if more people were able to associate Clinton/Gore with Governor Roberts, the President would benefit.

THE WHITE HOUSE

WASHINGTON

September 1, 1992

file
MEMORANDUM FOR ROBERT ZOELLICK
DEPUTY CHIEF OF STAFF

FROM: W. HENSON MOORE *W. Henson Moore*
ASSISTANT TO THE PRESIDENT
FOR INTERGOVERNMENTAL AFFAIRS

SUBJECT: Louisiana

Pursuant to our telephone conversation regarding the President's trip to Louisiana today, I believe the following points are of primary concern:

1. The number one commercial loss in Louisiana, as best we can determine, is to the sugar cane crop. This is a major industry in Louisiana.
2. The President's trip today is into the heart of the sugar cane producing area of Louisiana which was seriously damaged.
3. I recommend that he meet with a small number of sugar cane farmers on his trip today in order to express his concern.
4. The President, in any remarks made in Louisiana today, needs to reflect his concerns for the loss to the sugar cane industry.
5. In addition, in remarks and in his proposed meeting with sugar cane farmers, the President should refer to his directing the Administration to proceed immediately to determine the applicable federal disaster relief for the sugar cane industry (I am currently checking into the substance of this fifth point).

Gary Blumenthal is working on this fifth point and will have something shortly.

AGENDA

DRAFT: 9/2/92

- o If asked about the campaign:
 - Focusing on ideas, the fundamental choice (not politics)
 - E.g., : Job training; open markets; open investment; farm policies
 - To come: Health care, legal reform, education, small business, size of government
- o If asked about vision (or why want to be President):
 - Key phrases: Win the peace ... Economic security for working men and women ... economic & export superpower
 - Your package: (1) Open markets; (2) prepare people to compete; (3) restore our social fabric; (4) save and invest so we can win.
- o Tax and Spend
 - I want to lower taxes and spending; he wants to increase taxes and spending
 - 128: Arkansas Bureau of Legislative Research; some small, some big (sales, gas, & soybean taxes)
 - Clinton Federal taxes: \$150 bil ... training payroll ... health care leads to payroll
 - Clinton claim: taxes only the rich ... (See separate pg.)
 - Our cap on mandatory spending: Allows for inflation and population growth -- still saves \$294 bil (5 years)
 - Eliminate 245 programs vs honey bee subsidy
 - Appropriations spending freeze
 - 10% checkoff
 - Tax cut: Have proposed over \$130 billion in specific spending cuts. This alone could finance: 1% across-the-board rate cut, & reduction in the small business tax rate from 15% to 10%, & increase in small business expensing of investment in equipment, & cut in the capital gains tax.
- o Examples of Mandatory Cuts (See separate paper)
- o Rejoinder on Benefit Cuts (See separate page)
- o BC's attacks on POTUS (See "Clinton Sampler")
- o Other economic:
 - 8 million jobs: 1 million less than CBO forecasts for the next 4 years without any changes -- so he's losing 1 million
 - Poverty rate
- o BC's doublespeak/doubletalk:
 - NAFTA
 - Fuel efficiency stds (CAFE) for cars
 - Support for the Gulf War
- o Arkansas Record (See separate card)