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THE WHITE HOUSE BULLETIN

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OFF THE WIRES:

11/4/02

- **Hostage Taker-Turned Reformer Jailed In Iran.** An Iranian court today imprisoned one of the men who seized the US Embassy in Tehran 23 years ago today, apparently because he is now speaks out on behalf of reform. Abbas Abdi has recently led calls for President Mohammad Khatami to resign if conservative opponents block two reform bills he has proposed. One bill would give Khatami the right to suspend judges who overstep the constitution. The other would curb the conservative Guardian Council's veto power over election candidates. Political analysts and reform politicians said the jailing of Abdi is an attempt to intimidate the reform-minded parliament. The state-run Iranian News Agency reported Abdi's arrest as thousands of demonstrators burned US and British flags and chanted "Death to America" in front of the former US Embassy.
- **Suicide Bomber Kills One In Israel.** A bomb went off in a shopping mall in a suburb of Tel Aviv this morning, killing one and injuring 15. Police suspect it was a Palestinian suicide bomber, though no claim of responsibility has yet been made.
- **Factory Orders Fall.** Factory orders fell 2.3 percent in September, the second straight monthly decline, the Commerce Department reported today. Orders for durable goods were down 4.9percent, while orders for non-durables were up 0.9 percent.

IN THE WHITE HOUSE AND AROUND TOWN:

- **Bush Campaign Tour Stops In Four States Today.** President Bush travels to four states which feature key Senate races today, campaigning for GOP candidates for both houses of Congress. In his first stop in Cedar Rapids, Bush said, "Jim Leach is the right man for the United States Congress. Doug Gross is the right man to be your governor. Greg Ganske is the right man to represent you in the United States Senate." Bush also supported Iowa congressional candidates Jim Nussle, Tom Latham, Stan Thompson, and Steve King.
 Bush said Ganske, trailing in most recent polls to incumbent Democrat Tom Harkin, is "leading a lot of issues. He's leading on these medical issues that are going to make a big difference in people's lives. He's for a patients' bill of rights. He's for modernizing Medicare. He wants to make sure the Iowa seniors are treated fairly. He's a doctor. He's a compassionate soul. He's the kind of person with whom I can work." Bush added, "And there's a lot of issues I need to work on in the United States Senate."

Sharpening his attack on Democrats in the Senate for bottling up his judicial nominees, Bush said, "It's a defining issue, as far as I'm concerned. It's a

Courtesy George W. Bush Presidential Library

has never been found, and customs's internal affairs office has been tapped to investigate. That, say sources, prompted an unusual offer from the treasury inspector general, whose office is the one that investigates allegations of customs wrongdoing. If customs drops the probe, Treasury will stop looking into problems at customs. The agency stamped the offer 'rejected.'"

Senate Democrats' Tactics In Blocking Estrada Nomination Said To Be Unprecedented. US News & World Report 's "Washington Whispers" (11/11, Bedard) reports, "Democratic moves to block Bush nominees from becoming judges really irk the White House, but none as much as that involving Miguel Estrada. Senate liberals have a handful of problems with Estrada, nominated to the appeals court. Such as: He has never been a judge and won't release his work for the Office of the Solicitor General, the administration's legal shop. Unusual? White House letters to the Senate Judiciary Committee suggest no. Since 1977, 37 nonjudges have been confirmed to the appeals court; two sit on the Supreme Court. Second, since 1978 eight solicitor general workers like Estrada have been confirmed to the appeals court -- without coughing up internal papers."

Documentary On Bush's 2000 Campaign Said To Validate Differing Views Of Bush. Time (11/11, Poniewozik) reports, "when NBC News Producer Alexandra Pelosi was assigned to cover the Bush campaign, she" decided "to make a movie of life inside what reporters call the bubble. Pelosi began pestering Bush with her camera, teasing him about his diet. ... When he learned she was making a movie, says Pelosi, 'he realized he was either going to be the butt of the joke or the star of the show. So he decided to be the star.' ... Not only did he play along, but he also suggested the movie's title" - Journeys With George. The movie "is a rare record of the one-on-one Dubya we've often heard described but rarely seen - a loose, funny, people-savvy seducer. ... And there's bad-boy George, defending some rowdy journo's right to whip up margarita's on the plane. ... Whether you think Bush is a charismatic regular guy or a sophomoric boy-man, Journeys will prove you right."

Spitzer Benefits From Comparisons To Pitt. US News & World Report (11/11, Newman, Benjamin) reports, "In the perennial battle between Wall Street and Washington, score one for Wall Street. ... Securities and Exchange Commission Chairman Harvey Pitt acknowledged failure to inform colleagues that his designee to head a new accounting oversight board had himself led the audit committee at a firm facing a slew of lawsuits alleging financial fraud. ... All the maneuvering suggested to some that the reform movement born of the Enron scandal was losing steam, leaving the bewildered individual investor in a landscape littered with weak remedies and confusing new regulations. ... In a rush to defend himself, Pitt asked the SEC's inspector general to review the process by which Washington insider William Webster came to be chosen as head of the new Public Accounting Oversight Board. ... The moves highlighted the stark contrast between Pitt's style and the reform approach favored by New York Attorney General Eliot Spitzer. The attorney general has already engineered multimillion-dollar settlements with some of Wall Street's biggest players and may soon wrap up a \$1 billion to \$2 billion industrywide deal under which Wall Street's top dogs

would foot the bill for a research outfit independent of investment-banking pressures. Pitt, who almost daily faces calls to resign, has reportedly tried to rein in Spitzer but has still lost regulatory turf to the savvy politician. ... But Spitzer's plan is hardly viewed as a panacea. 'It's cockamamie,' says discount brokerage titan Charles Schwab."

Newsweek (11/11, Quinn) reports, "For his fumbling of Webster's appointment, Pitt earns a clear F. And that's only the most recent proof of how hard achieving real reform in the world of accounting is going to be. ... The details of Webster's past, first reported in The New York Times, suggest that blame for last week's problem lies with Pitt more than with Webster and his actions."

Microsoft Win Attributed To Friendly DOJ, Judge. Newsweek (11/11, Levy) reports, "Here's the Microsoft formula for disposing of an antitrust suit: cross your fingers and wait. If you're lucky, a new administration will replace an unfriendly antitrust czar (Joel Klein) with one willing to make a deal (Charles James, whose settlement was so weak that nine states kept fighting for a harsher remedy). Then you hope that the new judge (Colleen Kollar-Kotelly) is less hostile than predecessor Thomas Penfield Jackson, who compared Gates&Co. to the mob. Last Friday the wait paid off, as Kollar-Kotelly essentially let the settlement stand, and the so-called case of the century ended with a whimper. ... the states had spent months in court arguing that drastic measures were needed to restrain the now official monopolists -- like yanking the browser out of Windows or forcing Microsoft to share its precious source code. Kollar-Kotelly had none of it. ... Putting a happy face on it, the state A.G.s claimed delight at the minor toughening of the original settlement. ... Bill Gates and CEO Steve Ballmer still have to settle a complaint by the European Commission and deal with civil litigation."

NASA Administrator Credited With Rejuvenating Agency. US News & World Report 's "Washington Whispers" (11/11, Bedard) reports, "NASA Administrator Sean O'Keefe wasn't on the job long when allies of his crusade to revamp the stale agency showed up with a working ejection seat from an SR-71 Blackbird. Boss, they said, you'll need this to jettison the deadwood. Ten months later, he has replaced two thirds of the top execs. 'My ejection seat,' he says, 'has been very, very busy. ... And that's not all. O'Keefe's team is tweaking everything as it steers the agency back to its roots: studying Earth, exploring the universe, and wowing kids enough to make them astronauts. His big goals are controlling spending, pursuing realistic space travel programs, and using space exploration to develop new medical treatments, chart global warming, and even ease air traffic congestion. To fund that, he's submitting an updated budget this month that includes new projects like a maneuverable space plane."

Putin's Control Of Media Defuses Brewing Scandal Over Hostage Siege. Newsweek (11/11, Caryl, Conant) reports, "The aftermath of the theater siege has left many unanswered questions. Why wasn't the operation to storm the building better planned? Why wasn't an emergency medical team on hand to whisk victims to the hospital? Soon after the rescue, health officials said no antidotes were available to save the lives of innocents. Days later, authorities asserted that they were. So why weren't they used? ... In most countries, a series of questions like that would add up to a very large scandal. But not in Putin's Russia. Whether the allegations...are borne out, the raid on its offices reveals how