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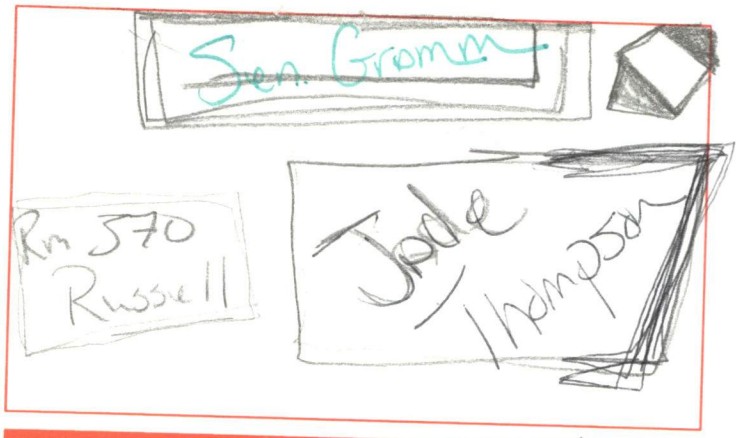
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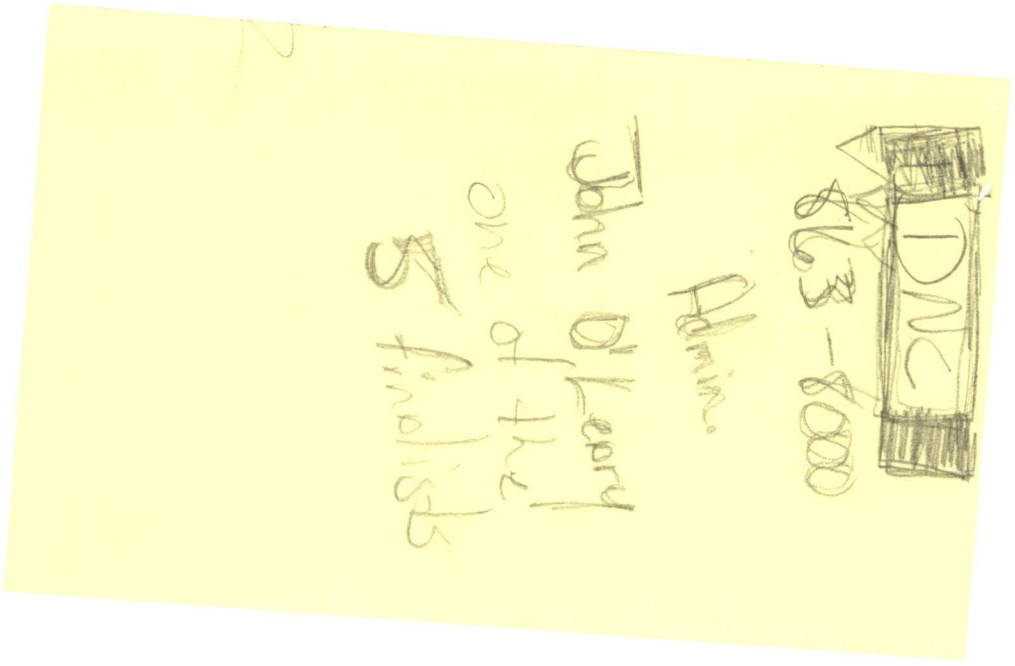
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Folder Title:
Senator Gramm Fundraiser 12/7/89 [OA 6342] [1]

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Sen. Gramm
Rm 570
Russell
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Thompson

NEXIS® • NOTES


DNC
463-8000
Admin.
John O'Leary
one of the
5 finalists

GRAMM

TO: Dale

FROM: Julie Hilrichs (Press Asst) <- good contact

DATE: Oct. 19, 1990

RE: Gramm issues/Talking points

These minor campaign themes

o Phil Gramm only half-jokingly refers to his work on Capitol Hill as "doing the Lord's work in the devil's city. More likely, he's doing our work in what used to be Ted Kennedy's city.

o A brilliant economist from Texas A&M University, Phil knows what it takes to make an economy grow and prosper.

o He went to Washington as a Democrat, but he quickly encountered a system in the U.S. House that he considered stifling, counterproductive and at odds with his philosophy and that of his constituency. The easy course would have been to follow the overriding rule of Washington: Go along and get along.

o But Phil saw actions being taken - especially in fiscal policy - that he considered harmful. So he resigned, changed to the Republican Party and was re-elected to the House. Later, he was elected to the Senate.

o Phil has been in the forefront of economic policy dating back to his years in Congress when he supported the tax cuts of the Reagan revolution.

o As a senator, he recognized that spending was outpacing the ability of the federal government to collect revenues to such an extent that an alarming deficit was forming. He authored the Gramm-Rudman-Hollings budget balancing law. Under this statute, automatic cuts go into effect across the board if Congress and the White House do not reach certain deficit-reduction goals each year.

o Phil Gramm understands the oil industry, the devastating effect of taxes on families ad the yearning of Americans to be free from unnecessary regulations.

Agatha – 2nd Rep gov since Reconstr.

never had Rep Lt gov.

o Also, Phil has been a key player in bringing to the Lone Star State the Naval Home Port and other pieces of the federal pie. He has done the yeoman's work on behalf of the Superconducting Super Collider in Ellis county, which is central to the efforts of Texas to establish itself as a center of particle physics and will put the state in the forefront of world science.

o A national leader in the war on drugs and co-sponsor of major anti-crime legislation, Phil has fought for tough federal laws that address the growing problem of violent crime and drugs in America. These include mandatory prison sentences with no early release for convicted criminals and the funding of Texas' county drug task forces.

o Phil Gramm's National Drug and Crime Emergency Act, which he co-authored with Rep. Newt Gingrich, R-Ga., requires mandatory prison sentences for drug dealers and violent criminals; insures that all prisoners work; allows the "good faith" standard for evidence gathering; limits the ability of the courts to interfere with prison operations; and imposes tough penalties on the so-called "casual" user of drugs.

o Phil puts it best when he says, "I want these drug thugs to know that if they sell dope to our children, they are going to prison for 10 years and they are going to serve every single day of that 10 years, no matter who their daddy is, no matter how society has done them wrong."

Houston

1500 people
6 pm
lge ballroom
hometown
gramm/Williams/Nussbacher

crime - big issue
over a prison
revolv. door
gramm strong on crime

Econ summit host - good job / 92 convention?

gramm on #1 then P keynote sp c Texas A+M May 89
gramm - Anita & told I was on for aggieland;
switched tics. Later - g. auctioned plain tic for
$100. "Some will give you shirts off back" etc.

"Oilers" joke - team doing well Also - Nolan Ryan
Rangers/Astros

Need 2P pol in TX

Theme: "Welcome Home"
Intro: by Gramm

In less than a decade Gramm combined politically powerful ideas, good timing and boundless tenacity to enact two landmark laws that have shaped budget debates for the 1980s and beyond. No recent member has had so great an impact in so short a time. -- **Congressional Quarterly's Politics in America, 1990.**

Winning friends and respecting congressional folkways are not what have made Sen. Phil Gramm, R-Texas, influential... His pure doggedness has made him the exemplar of the rule that in the end, ideas count. He sparkles in a Senate that sometimes resembles a hundred blinking yellow lights. -- **National Journal, 1/28/89**

Phil Gramm, in Congress less than 10 years, has already changed the American fiscal firmament twice.

He is a breathtakingly bold politician who is out to change government and politics, and fast, and he has already had more success than anyone expected of an economics professor from A&M. -- **The Almanac of American Politics, 1988**

"Diplomacy is not his strength...," Senator Paul Simon, Democrat of Illinois, has said of Gramm, "but his intelligence and hard work make up for it." -- **Current Biography Yearbook, 1986**

Respected even by foes for his intellectual prowess, he also gets high marks for being politically street smart. -- **Los Angeles Times, 2/28/89**

His friend Marvin Leath, a Democrat from Texas, warns colleagues: "If you're going to tangle with him, remember two things: one, he's smarter than you; two, he's meaner than a junkyard dog." -- **Readers Digest, 4/1/87**

...Sen. Barry Goldwater, R-Ariz., is an unabashed admirer.

"The first thing you think of this big tall Texan is that he just got off his horse," Goldwater said of Gramm. "But I think he's one of the smartest, most intelligent men I've ever encountered in all my years in the Senate." -- **Fort Worth Star-Telegram, 6/16/85**

...The College Station Democrat-turned-Republican has his feet firmly planted in the Senate, able to win support on both sides of the political aisle. -- **Harte-Hanks Newspapers, 6/30/85**

Gramm, 46, ... has soared higher, faster that virtually anyone in the history of the Senate.

Gramm, like Dingell in the House, is admired by his allies, feared by his foes. -- **The Washingtonian Magazine, 3/89**

Probably one of the unfair things about Congress is all members make the same money. Some might deserve $135,000 a year, like Sens. Sam Nunn or Phil Gramm, because they work harder and accomplish more. -- **Rosenberg Herald-Coaster, 1/13/89**

In Washington today, political talk starts and ends with Gramm-Rudman. Everything is driven by Gramm-Rudman. -- **Washington Post, 1/24/1986**

For the second time in a relatively brief political career, Phil Gramm -- mild-mannered economics professor from that favorite butt of college jokes, Texas A&M -- appeared to have many of his congressional

colleagues on the run. And they were running on an issue and at a time of his choosing. -- **Washington Post, 10/10/85**

House Speaker Thomas "Tip" O'Neill (D., Mass.) has vainly sought to stop Gramm's bill. "Senator Gramm ... is more responsible for the mess this nation is in than any other individual except Mr. Reagan," said O'Neill. "If the nation continues to follow Mr. Gramm, Lord only knows where we'll end up." But ten months later, O'Neill praised Gramm's law grudgingly: "There's no question the budget would have been higher without it." -- **Readers Digest, 4/1/87**

possible lead-in for economics graph

"Gramm is one of perhaps five Congressmen who have changed the way government operates over the last 20 years," says Representative Charles E. Schumer, a Brooklyn Democrat who opposed the budget-balancing bill. "He is like a laser, because he's able to focus light beams -- in this case, ideas -- in a concerted direction." -- **The New York Times Magazine, 3/30/86**

"I do not know of any new Senator who has come to the Senate who has engraved his name so indelibly upon the walls of this institution as has Senator Gramm." -- **Congressional Record, 5/7/86, Barry Goldwater floor speech**

As was true when he was in the House, Gramm's success in sponsoring some of the most controversial budget reduction proposals of the Reagan era resulted from an unusual combination of intellectual prowess and public relations brilliance. -- **National Journal, 1/28/89**

He out-hustled, out-argued and plain out-pestered a legion of more powerful and more veteran Republican lawmakers to pluck for his state a plum that is being called "the biggest thing since Lyndon brought the space center to Houston."

The day homeport selection was announced, no less an authority than Navy Secretary John Lehman appeared to corroborate that assessment, openly crediting Gramm with being more persistent on the homeport than all of the other Gulf Coast politicians put together. -- **Houston Post, 0/00/85**)

If one man must be singled out as having had the most impact on the decision, that man is Sen. Phil Gramm. This area owes Gramm a debt of gratitude. -- **Corpus Christi Caller-Times, 7/3/85**

Sen. Phil Gramm in particular deserves a major share of the credit for his efforts on behalf of Corpus Christi. Without Gramm's assistance, political clout available to other potential sites could not have been neutralized, and Corpus Christi would not today be celebrating. -- **Corpus Christi Caller, 7/3/85**

Sen. Phil Gramm Tuesday won a major victory in his campaign to change the way the Defense Department does business, delivering a shocking defeat to two of Washington's most powerful institutions -- organized labor and Sen. Edward Kennedy.

The Gramm-Kennedy battle apparently was a classic hare-and-tortoise case. While Kennedy was off last week touring military bases with his

aides, leaving the lobbying effort to the AFL-CIO, Gramm stayed in Washington rounding up votes and generating "grassroots" support from business groups. -- **Houston Post, 6/5/85**

Gramm's tortoise vs. hare strategy paid off. Yielding either to Gramm's arguments or pressure from conservative business groups, six senators switched positions to give the Texas Republican a surprise victory against labor's cherished Davis-Bacon Act, a spectacular triumph for a freshman.

It was Gramm's most impressive showing since he entered the Senate six months ago, enhancing his reputation as a hard-working rookie who plays the legislative system like an old pro. -- **Ft. Worth Star-Telegram, 6/16/85**

When it comes to paying attention to constituents, U.S. Senator Phil Gramm is hard to beat. -- **Nasvasota Examiner, 6/29/89**

Our thanks go to Sen. Phil Gramm for his part in effecting the release of the famed Russian refusenik, Dr. Alexandr Lerner, from the Soviet Union.

Texas is fortunate to have a senator like Phil Gramm, who shows this deep interest in human rights. -- **Jewish Herald Voice, Houston, 1/21/88**

The Gramms' lifestyle in the nation's capital more closely resembles that of a somewhat chaotic working-class family than a senator from the showiest state in the nation.

The Gramms are barely known on the Washington cocktail-and-gossip circuit. -- **Houston Post, 3/31/85**

He prefers to be at home with his children, often eating the McDonald's McDLT he favors, than attending a formal dinner party. -- **Dallas Morning News, 6/1/86**

family man

Sen Daniel Inouye, D-Hawaii, noted she (Dr. Wendy Gramm) is the grand-daughter of Korean immigrants who came to his state at the turn of the century to work in the sugar fields.

"It's really kind of an average life," she says. "We have the same kind of conversations as other couples do: whether or not the meat's done; when's the PTA meeting." -- **USA Today, 1/1/88**

Phil "got his first economics degree from sitting around the kitchen table," says Phil's half-brother, Don. "We never had enough money ... You grew up with: 'If you didn't need it, you didn't buy it.'" -- **Dallas Morning News, 6/1/86**

Need some work, but the ideas are here.

November 29, 1989

MEMORANDUM FOR THHL

FROM: STEPHANIE BLESSEY

SUBJECT: JIM MILLER'S STORIES ABOUT PHIL GRAMM

A man confident enough to marry a woman smarter than he is.

At an economics recruiting convention three professors from Texas A&M were interviewing perspective teachers. When one of the women finished her interview, Professor Gramm jumped up, helped her with her coat and graciously escorted her out. Once she had left he looked at his colleague, John Allen and said, "If you hire her, I'll marry her." Both happened.

all men do.

I know what that's like

Senator Gramm and his friends always tease that he married above himself because Wendy is much smarter. In fact, when Jim Miller employed Wendy he would tell reporters, "The truth ofthe matter is she's a whole lot smarter than he is."

Friends from college said of Gramm, "He talks like he's out of the back woods, but he's smart as hell."

When Gramm was considering running for office, Jim Miller took him to see a Republican Committeewoman. She looked at him and said, "What in the world makes you think that a college professor can run for office." With those words of encouragement he decided to run as a Democrat.

When he was teaching at A&M, he and two other friends decided they wanted to coach Little League. When asked whether they had any experience, they answered the only knowledge they had was from books. Little League awarded them the worst team -- a poor team that had not won a game in a year. The next year Gramm's team won the championship. Many of the pitches he used on the kids he still believes; they are the core of his political philosophy. He would tell them that they could be anything they wanted to be. They could be champions if they applied themselves and worked hard.

Since I sent my proposed legislation to the Congress, more than $1.1 billion in potentially avoidable losses have occurred. The industry had total losses of $3.4 billion in the first quarter alone, on top of more than $13 billion in 1988. This financial hemorrhage continues to mount at a cost of more than $10 million every day. I urge Congress to complete its work and pass an effective and responsible bill that reflects adequately my concerns, and those of the American public.

Sincerely,

George Bush

Note: Identical letters were sent to Thomas S. Foley and Robert H. Michel, Speaker and minority leader of the House of Representatives, respectively. The letters were released by the Office of the Press Secretary on June 15.

Message to the Congress Transmitting the Comprehensive Violent Crime Control Act of 1989

June 15, 1989

To the Congress of the United States:

Today I am pleased to transmit proposed legislation entitled the "Comprehensive Violent Crime Control Act of 1989." As the American people are aware, our Nation is experiencing a surge of violent criminal behavior, linked in no small degree to the scourge of illegal drugs currently prevalent in our border areas, our cities, and our neighborhoods.

On May 15, 1989, I outlined a comprehensive program, consisting of both legislative and non-legislative items, to combat violent crime. This program is a logical approach to the violent crime problem that focuses on four major objectives: strengthening current laws; augmenting enforcement; enhancing prosecution; and expanding prison capacity. The seven-title proposal that I am sending you today represents the actions that we believe the Congress should take in each of these areas. Its enactment would help reduce the incidence of violent crime in our society.

Dealing with crime is not a novel problem, nor is it one with which we can ever expect fully to succeed. Nevertheless, assuring the physical safety of our citizens and inhabitants is among the very highest responsibilities of government, and it is a top priority of my Administration.

Traditionally, dealing with violent crime has been, and should properly remain, primarily the function of State and local law enforcement authorities. Yet it is clear that the Federal Government also has an important leadership role to play.

The Federal Government cannot properly discharge its duties in this regard, however, unless the Nation's criminal laws, the essential backbone of the Federal justice system, are modernized and strengthened. A substantial strengthening of our laws would help all elements of the Federal criminal justice system—law enforcement officials, prosecutors, judges, and correctional authorities—to execute their responsibilities with maximum effectiveness.

In recent years, substantial progress has been made toward this goal. Each of the last three Congresses, with the participation of the previous Administration, passed a major bipartisan piece of anti-crime legislation. Together, these enactments have served greatly to assist in the struggle against violent and drug-related crime.

But much remains to be done to create the statutory framework necessary to cope with the still rising incidence of drug-related violent crime. *Now* is the time for this Congress to act—before the end of this year—on the proposed legislation I am transmitting today. Long-range solutions also lie in other directions, such as better education and job opportunities for our citizens. Our immediate task, however, and the one with which the present set of proposals is concerned, is to improve the Federal criminal justice system to render it able to dispense swift, sure, and fair justice. Persons who endanger society through the commission of violent offenses must know that their behavior will not be tolerated.

The present bill would improve the criminal justice system in several important ways.

First, the laws relating to firearms possession and use need to be carefully scruti-

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nized to insure that, while the legitimate rights of firearm owners are protected, illegitimate use and possession of firearms are subject to proper punishment. In this regard, the Congress passed a major firearms statute in 1986, which generally struck a proper balance in this area. But our examination has revealed a number of instances in which the provisions of that law should be strengthened.

For example, I do not think it was the intention of the Congress to permit convicted felons, imprisoned for dangerous crimes, to be able to purchase firearms immediately upon their release from prison, merely because State law generally restores rights of citizenship to persons who have served their sentences. Yet that result may be required under the Federal statute as it is written today. Similarly, persons who use a semiautomatic weapon to commit a violent or drug felony are punished no more severely under present law than if an ordinary handgun had been employed. Existing Federal law also contains no penalty for stealing a firearm and lacks a clear definition of the offense of burglary. These defects and others would be remedied under a package of proposed firearms amendments that is included in the proposed legislation.

Second, building on the work of the 100th Congress, which, for the first time in recent memory, created a limited Federal death penalty for certain drug-related killings, this proposal would establish procedures necessary to institute a capital sanction for murders committed in violation of other Federal statutes, such as those involving murder-for-hire and the murder of a kidnap victim or a Federal prison guard. The proposed provisions are in compliance with all relevant Supreme Court decisions, and their enactment is long overdue. I believe it is absolutely essential to bring Federal law into conformity with the law in the more than three-quarters of the States that have passed statutes to reinstate the death penalty for a limited number of heinous crimes.

Third, the proposal includes provisions designed to impose severe restrictions on ammunition clips and other ammunition feeding devices frequently used to enable so-called "assault weapons" to fire a large number of rounds rapidly and without reloading. Under my Administration's proposal, a magazine or other ammunition feeding device with a capacity of greater than 15 rounds would be subject to strict regulation and generally could no longer be imported, manufactured, received, or possessed. Persons already in possession of such devices would be allowed to retain and use them lawfully. No transfer to another owner would be permitted unless a record was made of that transfer, which would permit tracing in the event of a criminal misuse.

Limited manufacture or importation for purposes of export or for sale to Government agencies would be authorized, but such large-capacity devices, like a firearm today, would be subject to identification by requiring serial numbers. While an ammunition feeding device, like a firearm itself, is not inherently evil, the enhanced potential for danger to law-abiding citizens posed by the unlawful use of weapons equipped with such devices in criminal hands makes it necessary to impose these restrictions in the interest of public safety.

Fourth, My proposal would establish a nationwide program of mandatory drug testing for defendants on post-conviction release, including probation, parole, or supervised release. It is estimated that upwards of 81,000 individuals will be on some form of Federal supervised release in 1990. The known association between criminal behavior and drug abuse is such that drug testing as a condition of release for convicted persons is an essential precaution to help enhance the public safety, while also promoting rehabilitative goals. I have proposed that $10.7 million be appropriated for this activity in fiscal year 1990.

Fifth, the proposal contains provisions to reform the so-called "exclusionary rule." Under this rule, Federal courts today exclude or suppress probative evidence obtained by searches and seizures conducted in good faith by law enforcement officials. The result is that factually guilty individuals avoid conviction and punishment. Under my proposal, any evidence that is obtained as a result of a search or seizure undertaken in objectively reasonable good faith, as determined by a court, would be admissible at trial, notwithstanding that a magistrate or

judge later found that the search did not satisfy constitutional requirements.

Suppression of evidence in criminal trials—which are supposed to represent a search for truth on the issue of a defendant's guilt or innocence—is not an appropriate remedy to redress innocent mistakes. Law enforcement officers must frequently make split-second decisions on matters involving difficult constitutional issues on which even judges may disagree. Enactment of this proposal is necessary in order to make the justice system work effectively.

The exclusionary rule would remain, under my proposal, as a permissible sanction for intentional violations, but no longer would a criminal escape punishment because of a technical mistake in conducting a search or seizure. The House of Representatives last year passed a similar proposal, which unfortunately was deleted in the conference agreement on the Anti-Drug Abuse Act of 1988. The proposal should be enacted this year.

Sixth, the proposed bill would restore an appropriate degree of finality to State and Federal criminal convictions by curtailing abuses of the writ of *habeas corpus.* Under current interpretations of Federal statutes, defendants whose convictions have been affirmed by courts of appeals may nonetheless later seek to relitigate in Federal courts the claims previously raised or waived on direct appeal. Not infrequently, defendants with nothing to lose exercise this novel opportunity, which is afforded by no other civilized society in the world, through several rounds of litigation lasting many years and tying up our already overburdened Federal courts.

With the massive delays in many Federal districts occasioned by an overwhelming caseload, we can no longer afford the luxury of this system of excessive opportunity for review of "final" criminal judgments. An effective justice system requires that final adjudications not be subject to continuous review. No innocent individual should be denied an avenue through which to petition the Federal courts to review his or her conviction. But at the same time, those persons who have been tried and found guilty, and whose legal claims have been rejected after full and fair consideration, should not be allowed to relitigate endlessly in the Federal courts.

Under the proposed amendments, the opportunity for certain kinds of collateral attacks upon a conviction would be limited by a time period of 1 or 2 years, with due exceptions for the assertion of rights newly created or facts newly discovered. Similarly, Federal courts would be admonished to give presumptive validity to any full and fair determination of a factual issue by a State court.

A nearly identical proposal was overwhelmingly passed by the Senate in 1984. Its enactment this year would improve the justice system and relieve the Federal courts, thereby freeing them to hear other cases and to dispense justice to others more promptly.

Seventh, and finally, the proposed bill would authorize appropriations for several activities of the Department of Justice to augment Federal law enforcement personnel, increase prosecutorial efforts, and expand prison capacity. These appropriation authorizations, along with the increased funding I have requested for the Judiciary and the Bureau of Alcohol, Tobacco and Firearms in the Department of the Treasury—a total government-wide increase of about $1.2 billion in 1990—will make possible a tougher, more vigorous and more effective fight against violent crime.

When I stood before the United States Capitol on May 15 and addressed the families of the brave and valiant peace officers who gave lives in the battle to rid America of drugs and crime, I promised them—as I did the American people on the day I assumed this office—that "this scourge will stop." Enactment of the set of proposals that I present to you today, as well as implementation of the other initiatives that I announced last month, will be a major step in keeping that promise. I urge that these important proposals promptly be considered and enacted. We owe the people of our great Nation no less.

George Bush

The White House,
June 15, 1989.

2. Pursuant to section 1121 of the 1988 Act, the tariff provisions necessary to give effect to the Nairobi Protocol were enacted in terms of the provisions of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202). However, because of the repeal of the TSUS and the enactment of the Harmonized Tariff Schedule of the United States (HTS), effective on January 1, 1989, and pursuant to section 1204 of the 1988 Act (19 U.S.C. 3004), it is necessary to provide for the equivalent tariff treatment in the HTS of the articles covered by section 1121.

3. Section 1204(b) of the 1988 Act directs the President to proclaim such modifications to the HTS as are necessary or appropriate to implement the applicable provisions of statutes enacted, executive actions taken, and final judicial decisions rendered after January 1, 1988, and before the effective date of the HTS.

4. Section 604 of the Trade Act of 1974 (19 U.S.C. 2483), as amended, authorized the President to embody in the HTS the substance of the provisions of that act, of other acts affecting import treatment, and of actions taken thereunder.

Now, Therefore, I, George Bush, President of the United States of America, acting under the authority vested in me by the Constitution and laws of the United States, including but not limited to sections 1121 and 1204 of the 1988 Act and section 604 of the Trade Act of 1974, do proclaim that:

(1) The HTS is modified as provided in the annex to this proclamation.

(2) The amendments to the HTS made by this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after May 30, 1989.

In Witness Whereof, I have hereunto set my hand this twelfth day of May, in the year of our Lord nineteen hundred and eighty-nine, and of the Independence of the United States of America the two hundred and thirteenth.

[*Filed with the Office of the Federal Register, 10:22 a.m., May 16, 1989*]

Note: The proclamation was released by the Office of the Press Secretary on May 15. The annex to the proclamation will be printed in the Federal Register of May 17.

Remarks at the National Peace Officers' Memorial Day Ceremony
May 15, 1989

Thank you, Suzy. If it doesn't start clearing up, we're issuing snorkels to everybody out there. [*Laughter*] Thank you, Suzy Sawyer, and of course, to Dewey Stokes and Craig Floyd, my respects as well. You have great leadership, and I salute them. I want to say how pleased I am that the Secretary of the Treasury is with me, Nick Brady; our Attorney General, the able Dick Thornburgh; and our drug czar, Secretary Bill Bennett. The fact that we four are here is intentional. It sends the signal of our commitment and of our interest. And I know Members of Congress are here as well. I spotted my own Senator, Senator Phil Gramm of Texas, and Senator Pete Wilson. But I'm going to be in trouble because I can't see over there—who else is there. But I know many are sitting right over here, and we salute them. I see Senator Ford and others. And we're just delighted that they are here today.

Last fall a retired New York police lieutenant gave me badge number 14072, and I have it with me today—the badge his son wore the day he was gunned down by a gang of cocaine cowards. Matt Byrne asked me to keep Eddie's badge as a "reminder of all the brave police officers who put their lives on the line for us every single day." Matt, your son's badge, as I have told you, is kept in my desk at the Oval Office. And during the debate on gun-related violence that has raged in this country the past several months, neither it nor what it represents has ever been far from my mind. I've heard the many voices, the courageous and the compassionate, the wounded and the widowed, and I salute the survivors that are here today.

We gather today to respond to those voices and to honor the fallen by launching a national strategy, a partnership with America's cities and States, to take back the streets. It calls for a return to common

mation will be ister of May 17.

Peace Ceremony

esn't start clear- els to everybody ank you, Suzy ewey Stokes and s well. You have ite them. I want iat the Secretary Nick Brady; our le Dick Thorn- r, Secretary Bill four are here is gnal of our com- est. And I know here as well. I r, Senator Phil itor Pete Wilson. rouble because I else is there. But right over here, Senator Ford and lighted that they

York police lieu- iber 14072, and I ie badge his son ined down by a Matt Byrne asked as a "reminder of rs who put their very single day." have told you, is Oval Office. And -related violence itry the past sev- or what it repre- m my mind. I've e courageous and ounded and the survivors that are

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sense. And it begins with a clear-eyed vision of the kind of problems we face, the kind of people we are, the kind of values that we hold, and the kind of nation we intend to bequeath to our children.

The problem is violent crime, and in particular, the blood that's been shed by increasingly sophisticated guns in the hands of a new class of criminals. Usually, but not always, the deaths are tied to a cycle of dollars and drugs and dependency. The principles are simple. My generation well remembers what some believe was FDR's finest speech: The "Four Freedoms," an address to a joint session of the Congress. And the last, often forgotten, but arguably the most fundamental of those freedoms was simply this: freedom from fear. Our sworn duty to "insure domestic Tranquility" is as old as the Republic, placed in the Constitution's preamble even before the common defense and the general welfare. And so, when we ask what kind of society the American people deserve, our goal must be a nation in which law-abiding citizens are safe and feel safe.

To achieve this goal, people must be held accountable for their actions, and that's common sense. Most Americans are law-abiding, and most believe that there is such a thing as right and wrong, good and evil. And whether it's the brutalization of a young runner in a park or terrorizing a young man on to a crowded highway, these are acts that cannot be excused or explained away. A common sense approach to crime means that if we're going to affect people's behavior we must have a criminal justice system in which there is an expectation that if you commit a crime you will be caught; and if caught, you will be prosecuted; and if convicted, you will do time. For far too long, a privileged class of violent and repeat offenders have calculated that crime really does pay, that our criminal justice system is a crapshoot where the risks are worth the rewards. Well, it's time we change the odds and up the stakes enormously.

And we will lead the way. We'll do our part and then some. But no Federal effort can succeed without the full partnership of the cities and the States that you so nobly represent. Unfortunately, nowhere is your front-line role more evident than in the honor roll that will be read today: of 161 officers killed in the line of duty last year, 152 were State or local cops. And you are the first line of defense, and your respective governments have an obligation to adopt tough legislation and provide the resources—in police, prosecutors, and prisons—to fully back you up.

At the trial of Eddie Byrne's executioners, there was testimony that the hit was ordered from prison to send a message to the people behind the badge. And one witness said that they hoped to see the attack on the television news at Riker's Island. Well, today we have a message of our own: We're going to take back the streets by taking criminals off the streets. And it is an attack on all four fronts: new laws to punish them, new agents to arrest them, new prosecutors to convict them, and new prisons to hold them.

I am announcing today—and there is no more fitting place than right here—a comprehensive new offensive for combating violent crime—for Eddie Byrne, for every officer we honor here today, and for America. The first front of this campaign, new laws, starts with the semiautomatic and so-called assault weapons that criminals have taken as their gun of choice. And again, common sense has to play an important part in this discussion. The fact of the matter is, nearly half the households in this country have guns, and guns are already out there. And the overwhelming majority are legitimately owned for legitimate purposes. But in contrast to legitimate gun ownership is the chilling fact that something like 80 percent of all firearms used by felons are stolen or otherwise unlawfully obtained. Throughout our nation's history, the hard lesson we've learned is that criminals will get guns. And so, let me be very clear about our response: The right to own a gun is not a license to harm others.

And so, first I am calling on Congress today to do for dangerous firearms what it has wisely done for dangerous drugs: to double the mandatory minimum penalties for the use of semiautomatic weapons in crimes involving violence or drugs. And the math is simple: Anyone who uses a semiautomatic for crime, or so much as has one on them during a crime, will do an auto-

matic 10 extra years in Federal prison. No probation. No parole. No matter which judge they get.

And secondly, we just can't plea bargain away the lives of your loved ones, the lives of our cops and kids. And I'm directing the Attorney General to advise America's prosecutors to end plea bargaining for violent Federal firearms offenses. Those who use guns will do time—hard time.

And third, when a criminal carries a gun and someone dies, they must pay with their own lives. We are calling on Congress today to enact the steps necessary to implement the death penalty and to newly designate the use of a firearm as an aggravating factor for determining whether the death sentence should be imposed.

And I call on America's Governors to match this Federal initiative and propose these same three standards at home: mandatory time, no deals without cooperation, and the death penalty where appropriate. Your States owe it to those here today, and to the American people.

And fourth, 2 months ago, at my direction, the Bureau of Alcohol, Tobacco and Firearms suspended the importation of certain so-called assault weapons. ATF is continuing its examination to determine which, if any, of those weapons are not acceptable under standards in existing law. And at the conclusion of this study, and after careful consideration, we will permanently ban any imports that don't measure up to these standards.

Recently the U.S. News cover story on guns summed up a related challenge: "the difficulty in drafting laws that will separate assault weapons used in crime from semi-automatics frequently used for legitimate hunting and sport." And there is substantial controversy and debate on this point. You're all well aware of that. But one thing that we do know about these assault weapons is that they are invariably equipped with unjustifiably large magazines. The notorious AKS–47, for example, comes with a magazine that pumps off 30 explosive bullets without reloading. And that is why—fifth—we stand on the steps here in front of the Capitol and ask its support for legislation prohibiting the importation, manufacture, sale, or transfer of these insidious gun magazines of more than 15 rounds.

The current debate was first sparked when an unstable gunman in Stockton, California, purchased an AKS–47 over the counter and used it to lay waste to an elementary school playground. Patrick Edward Purdy had no business buying that gun. He was arrested on his first weapons charge before his 15th birthday. And by his fourth firearms arrest, Purdy had finally turned 18, and with it chalked up the first of two adult convictions. Although for violent and weapons offenses, both convictions were misdemeanors. Purdy crawled through the loophole that bars only felons from buying guns and got that deadly AKS–47. That is outrageous.

And therefore, we also propose that Congress close this Purdy loophole and others like it that allow deadly weapons to fall into deadly hands. Again, that's just plain common sense. We must not allow deadly weapons to fall into deadly hands. But we need to do more than just enact new laws. And in a recent movie about the L.A. gang wars, a woman shouts encouragement to a cop on patrol, telling him: "You get them off the street." And he answers: "Lady, we're trying." And the woman offers a four word solution: "You need more help." And believe me, we know it. Our police need more help. And I'm here today to tell you that we're prepared to match rhetoric with resources and call on our cities and States to do the same.

The second front, if you will, of our new offensive calls for increased manpower and a new strategy on guns, a strategy based on models of proven effectiveness. I have directed the Attorney General and the Treasury Secretary, working together with State and local enforcement, to launch a comprehensive, coordinated offensive against our nation's most violent criminals. And I am requesting funding for hiring 825 new Federal agents and staff—375 at ATF, 300 at the FBI, and 150 Deputy U.S. Marshals. Many of these hirings will permit experienced investigators from all three agencies to promptly combat violent crime in the field.

Of course, arresting these thugs doesn't help if we don't have the muscle to prosecute each criminal to the fullest extent of the law. And that's why the third front of

this campaign calls for Congress to back up these new troops with 1,600 new prosecutors and staff. And now, there probably isn't a police officer here who hasn't seen a case where a dangerous felon—properly arrested, fully prosecuted, and sentenced to the maximum—walked out of jail early, sometimes years early, because prisons are bursting at the seams. That is not right.

Part of our common sense approach is a simple recognition that it doesn't do any good to provide new Federal agents, new assistant U.S. Attorneys, and new laws with long-term penalties if we don't have the prison cells to keep criminals where they belong. A chain is only as strong as its weakest link. And so, as the fourth front in this comprehensive effort, I am calling on the Congress to authorize an additional $1 billion, over and above the $500 million already slated for 1990, for Federal prison construction. These 24,000 new beds will boost Federal prison capacity by nearly 80 percent.

Not since Lincoln has a President stood in front of the Capitol and been just a few miles from the front lines of a war, never was the toll more visible than in the faces of the brave men and women, the families, gathered here today. And when I first stood here as President, over there, only moments after taking the oath of office, I made a promise: "This scourge will stop." And that's a promise that we intend to keep. Ladies and gentlemen, I offer my condolences for your fallen loved ones and for your fellow officers. And I salute your commitment, and I salute your courage, and as a citizen—grateful for the protection you have provided for me and my family and my fellow countrymen. I thank you, and I wish you Godspeed.

Thank you all, and God bless the United States of America. Thank you very much.

Note: The President spoke at 12:29 p.m. on the West Front of the Capitol. In his opening remarks, he referred to Suzy Sawyer, executive director of the Fraternal Order of Police Ladies Auxiliary; Dewey Stokes, national president of the Fraternal Order of Police; and Craig Floyd, president of the National Law Enforcement Officers Memorial Fund.

White House Fact Sheet on Combating Violent Crime

May 15, 1989

The President outlined today a comprehensive program to combat violent crime. The program is designed to strengthen the Nation's criminal justice system and the Federal, State, and local law enforcement partnership. The program is grounded in the President's belief that greater certainty of apprehension, prosecution, and punishment will help deter crimes of violence. It includes proposals to strengthen current Federal, State, and local laws, to step up enforcement and to hold perpetrators of crimes fully accountable for their actions.

The President is proposing a common sense approach to crime with initiatives to limit access to weapons by criminals, to reform the criminal justice system, to enhance enforcement and prosecution, and to expand prison capacity to ensure both the certainty and severity of punishment.

Fundamental Principles

Four principles underlie the goals of our criminal justice system and the means for accomplishing them.

- A primary purpose of government is to protect citizens and their property. Americans deserve to live in a society in which they are safe and feel secure.
- Those who commit violent criminal offenses should, and must, be held accountable for their actions.
- Our criminal justice system must have as its objective the swift and certain apprehension, prosecution, and incarceration of those who break the law.
- Success in accomplishing our criminal justice system goals requires a sustained, cooperative effort by Federal, State, and local law enforcement authorities.

The President today proposed a comprehensive four-part program to strengthen current laws, enhance enforcement and apprehension of criminals, facilitate prosecutions, and expand Federal prison capacity.

Comprehensive Crime Control Act of 1989

I. Strengthening Current Laws

To ensure that those who commit violent criminal offenses are held fully accountable for their actions, it is essential to eliminate certain gaps in existing law and to strengthen some existing statutes.

A. Enhanced Penalties for Firearms Violations

The President proposed seven changes in Federal firearms laws which would:

1. double the mandatory penalty from 5 to 10 years under 18 U.S.C. 924(c) for the use of a semiautomatic firearm during the commission of a violent crime or drug felony;
2. amend the Armed Career Criminal statute to count as predicate offenses acts of juvenile delinquency which if committed by an adult would constitute a serious drug offense; many youthful repeat offenders now escape the enhanced career criminal penalties because most of their prior offenses were charged as juvenile delinquency;
3. allow for pretrial preventive detention of defendants in cases involving certain serious Federal firearms and explosive offenses;
4. authorize criminal penalties and mandatory minimum sentences for theft of a firearm;
5. enhance penalties for smuggling firearms into the United States while engaged in, or in the furtherance of, drug trafficking;
6. require mandatory revocation of Federal supervised release for those possessing a firearm anytime before the term of their supervised release expires;
7. double the current penalty for a knowing and materially false statement on ATF Form 4473 to a maximum sentence of 10 years imprisonment.

The President also urged all States to adopt model legislation providing mandatory minimum sentences for criminal offenses involving firearms to parallel Federal mandatory minimum provisions.

He directed the Attorney General to provide the States with related technical assistance through the Law Enforcement Coordinating Committees (LECC's). At present, 30 States have some provision for mandatory terms of imprisonment for use of firearms in the commission of a crime.

The President proposed providing a 5 percent bonus to the formula portion of drug law enforcement grants for those States which adopt this model legislation.

B. Restricting Plea Bargaining

If our criminal justice system is to achieve its objective of ensuring that those who commit violent firearms offenses are held fully accountable for their actions, plea bargaining practices nationwide must be reformed. Too often, serious felons walk away from court after pleading guilty to minor offenses and misdemeanors because overburdened prosecutors have accepted plea agreements rather than going to trial. The lesser charges result in lesser sentences or probation, and repeat offenders continue to beat the system. To speed an end to such plea bargaining:

1. The President directed the Attorney General to issue and fully implement guidelines for Federal prosecutors regarding plea bargaining under the Sentencing Reform Act to ensure that Federal charges always reflect both the seriousness of the defendant's conduct and the Department's commitment to statutory sentencing goals and procedures. This will ensure that Federal prosecutors seek minimum mandatory penalties for all violent firearms offenses.
2. The President urged State and local governments to reform their plea bargaining and sentencing practices along similar lines and to devote increased resources to prosecutions.

C. Enacting Death Penalty Procedures

The criminal justice system must accord paramount importance to the protection of innocent life. The murderous assault weapon armed gang member, the terrorist, the traitor, and the assassin, who threaten American lives and the Nation's security, must know that they will face the death penalty for their crimes.

The President proposed to restore an enforceable death penalty for the most aggravated Federal crimes. His proposal includes

adequate standards and constitutionally sound procedures for applying the Federal death penalty provisions that now appear in Federal statutes for homicide, espionage, and treason. It would also authorize the death penalty for a number of new offenses, such as murder for hire. In direct response to the increase in firearms-related violence, the proposal specifies that the use of a firearm in committing the offense or a previous conviction of a violent felony involving a firearm constitute aggravating factors justifying capital punishment.

D. Restricting Imported Weapons

When the study of imported weapons by the Bureau of Alcohol, Tobacco and Firearms is completed, the administration will make permanent the temporary suspension on the imported weapons, if any, that fail to meet the criteria specified in the Gun Control Act of 1968 (18 U.S.C. 925).

E. Preventing Circumvention of Import Laws

The administration will propose an amendment to ensure that actions taken under the provisions of the Gun Control Act of 1968 shall not be circumvented by domestic assembly of such weapons or any combination of domestic and foreign assembly of such weapons.

F. Restricting Gun Clips and Magazines

The administration will propose legislation prohibiting the importation, manufacture, transfer, or sale of gun magazines of over 15 rounds for use by private citizens.

G. Limiting Access to Weapons by Criminals

In addition to greater penalties for misusing firearms, it is also important to limit access to weapons by criminals. This can be facilitated in three ways:

1. Strengthening and Expanding Prohibitions on Access to Weapons by Criminals.

a. The President proposed to bar the sale of firearms to, or possession of firearms by, persons convicted of any violent offense, expanding the existing prohibition to cover individuals convicted of violent misdemeanor offenses.

b. The President also proposed to bar the sale of firearms to, or possession of firearms by, persons who are convicted of any serious drug offense.

2. Improving Mechanisms for Identifying Criminals Who Attempt to Purchase Firearms. The Anti-Drug Abuse Act of 1988 requires the Attorney General to develop a system for the immediate and accurate identification of felons and others who attempt to purchase firearms, but are barred by Federal law [18 U.S.C. 922(g)(1)] from buying or possessing firearms. The initial stage of the study must be completed by November 18, 1989.

a. The President directed the Attorney General to expand the National Criminal Records Identification System Implementation study to include a review and evaluation of State and local procedures which have effectively limited criminal access to firearms and, based on that review and in consultation with the Bureau of Alcohol, Tobacco and Firearms, to develop recommendations for model State legislation and procedures to complement and enhance efforts to reduce felons' access to firearms.

Model State legislation or procedures might include a reasonably structured waiting period or use other devices to facilitate accuracy in determining whether an individual seeking to purchase a weapon from a licensed gun dealer is ineligible by reason of Federal law. At present, more than 20 States have waiting periods, identification requirements, or other procedures which effectively limit criminal access to weapons.

b. The President urged States to transfer criminal history conviction, sentencing, and other case disposition records to the proper Federal authorities. He also directed the Attorney General to recommend additional improvements in the criminal records data system. The quality of criminal history data is a critical factor in crime control and prevention. At present, the only criminal history records consistently reported by States and localities are arrest records.

Timely and accurate reporting of conviction, sentencing, and other case disposition records is essential to the effective operation of the Nation's criminal justice system.

To improve the national data base, States should make such criminal record reporting mandatory and take steps to ensure that centralized State criminal history repositor-

ies are adequately funded and managed. In addition, States should maintain records and report on all serious crimes committed by juveniles who frequently continue their criminal careers into adulthood, but often escape early identification as repeat offenders and recidivists because their juvenile records are not reported.

3. Eliminating Loopholes and Clarifying Existing Offenses. The President also proposed to eliminate loopholes and clarify existing offenses related to the sale or transfer of firearms, in order to:

a. facilitate the prosecution of unlicensed gun dealers engaged in illegal weapons transfers to aliens or transients;

b. expand Federal jurisdiction to permit prosecution of transactions in stolen firearms and weapons lacking serial numbers in cases where the firearms have previously moved in interstate or foreign commerce (present law requires the firearms be moving in interstate commerce at the time of the offense);

c. provide a uniform standard to determine whether a person is under Federal firearms disabilities based upon State convictions;

d. require that persons convicted under State law of a serious drug offense or violent felony apply to Federal authorities in order to have their firearms rights restored;

e. amend provisions regarding the disposal of forfeited firearms; and

f. clarify the definition of burglary in the Armed Career Criminal Act to eliminate loopholes caused by differing State laws.

H. Making Drug Testing a Condition of Release

The President also proposed to authorize and fund nationwide implementation in 1990 of drug testing as a mandatory condition of Federal probation, parole, or supervised release. It is estimated that 81,500 people will be on some form of Federal supervised release in 1990. The Justice Department and the Federal Judiciary will coordinate implementation of this program.

The President urged States to adopt similar mandatory drug testing programs as a condition of parole.

II. AUGMENTING ENFORCEMENT

A primary purpose of government is to protect citizens and their property. This requires the sustained cooperative commitment of Federal, State, and local law enforcement officials. Apprehending violent offenders requires increased enforcement personnel, improved cooperation among law enforcement authorities, and not permitting the exclusion of evidence on legal technicalities.

A. Additional ATF Special Agents

The President proposed to increase funds for the Bureau of Alcohol, Tobacco and Firearms to provide for the hiring, training, and equipping of 375 ATF special agents, inspectors, and support personnel to investigate assault weapon and other firearms violations by armed career criminal and repeat offenders.

B. Additional U.S. Marshals

The President proposed to increase funds for the U.S. Marshals to provide for about 150 additional positions for the Marshals Fugitive Investigations and Court Orders Program. This would direct greater Federal efforts to capturing fugitives and career criminals.

C. Additional FBI Agents

The President proposed to increase funds for the FBI to provide for about 300 additional positions for the Bureau's Violent Crime and Major Offenders Program and Organized Crime Program and to assist States and localities improve their efforts in fighting violent crime through greater Federal/State cooperation.

D. Coordinated Task Forces

The President directed the Attorney General and Secretary of the Treasury to develop a coordinated strategy for the deployment of the additional U.S. Marshals, ATF and FBI agents. Their deployment will emphasize working closely with State and local authorities in task forces to target and investigate career criminals who are subject to prosecution as repeat offenders under Federal firearms laws and related statutes.

E. State and Local Resources

The President urged State and local authorities to increase their law enforcement resources devoted to identifying and apprehending violent criminal offenders.

F. Exclusionary Rule Reform

The President proposed to establish a general "good faith" exception to the exclusionary rule which would permit evidence to be admitted if the officers carrying out a search or seizure acted with an objectively reasonable belief that their conduct was in conformity with fourth amendment requirements. The reform legislation would clarify that in the absence of explicit statutory authority for doing so Federal courts may only exclude evidence on the basis of constitutional violations.

III. Enhancing Prosecution

In order to assure that criminals are held accountable for their offenses, certainty of prosecution must accompany severity of punishment. Federal, State, and local authorities must expand and coordinate their prosecutorial efforts.

A. Additional Assistant U.S. Attorneys

The President proposed to increase funds for the U.S. Attorneys Offices to support 1,600 additional positions to handle the increased number of Federal defendants and to prosecute more drug cases, weapons offenses, and other priority matters.

B. Additional Criminal Division Attorneys

The President proposed to increase funds for the Justice Department Criminal Division to support 168 additional positions to focus on drug cases, weapons offenses, and other priority matters, including activities to foster State and local cooperation and coordinated law enforcement strategies.

C. Additional Housing for Unsentenced Prisoners

The President proposed additional funds for the U.S. Marshals Service to provide transportation and 300,000 added jail days for unsentenced prisoners and pretrial detainees.

D. Additional Judicial Branch Resources

The President proposed increasing the administration's budget request for the Judiciary by $40 million for FY 1990 to cover costs associated with processing increased numbers of criminal defendants and for additional Federal criminal prosecutions.

E. Habeas Corpus Reform

The President proposed immediate enactment of habeas corpus reform to establish a general 1-year time limit on Federal applications by State prisoners and to require deference in Federal proceedings to the results of fair and reasonable State court determinations. This will correct the existing system of review, under which over 10,000 cases are annually filed in Federal court.

IV. Expanding Prison Capacity

Prison overcrowding remains a national problem. The most acute problem is at the Federal level. At both the Federal and State level prison overcrowding is a factor in sentencing. At the State and local levels it is often responsible for the early release of convicted criminals.

A. Expanding Federal Prison Construction

The President proposed an additional $1 billion for Federal prison construction, bringing the total 1990 budget to over $1.5 billion. This will increase prison capacity by about 77 percent, adding over 24,000 new Federal prison beds. The present rated Federal prison capacity is 30,951 beds; the present Federal prison population is approximately 48,000.

B. Converting Unused Federal Properties

The President directed the Secretary of Defense, the Secretary of Education, and the Administrator of the General Services Administration to work with the Attorney General to identify expeditiously properties and facilities suitable for conversion for use as Federal prisons or jails.

C. Deporting Criminal Aliens

The President proposed to provide the Attorney General with $14 million for the Immigration and Naturalization Service (INS) and the Executive Office for Immigration Review in order to expedite the deportation of convicted criminal aliens.

Crimes committed by aliens are rising disproportionately in relation to the general population and entailing more violent and drug-related crime.

The Federal Bureau of Prisons has identified 9,254 aliens in its facilities, 20.6 percent of its total inmate population.

D. Encouraging State Prison Construction

The President commended and encouraged State prison construction efforts. States currently have construction of 63,452 new bedspaces underway. An additional 78,094 bedspaces are planned, and funding has been secured for their construction. Moreover, States have requested construction of 72,190 additional bedspaces.

E. Review of Court-Ordered Prison Caps

The President directed the Attorney General to conduct a review of the role of court orders and consent decrees in prison crowding situations, including an assessment of the scope of judicial authority in formulating and issuing such orders, the impact of such orders on the operation of prison systems and public security, and nonjudicial means of addressing prison crowding. The Attorney General will report his findings to the President and recommend any necessary remedial actions.

Legislation to implement elements of this initiative will be transmitted shortly by the Attorney General.

FUNDING SUMMARY

Enforcement:	
BATF	$18.8 million
U.S. Marshals	$12.0 million
FBI	$19.5 million
Prosecution:	
U.S. Attorneys	$49.6 million
Criminal Division	$5.4 million
Unsentenced Prisoner Support	$13.0 million
Courts	$40.0 million
Drug Testing:	
Mandatory Testing	$10.7 million
Criminal Alien Deportation:	
INS	$12.5 million

FUNDING SUMMARY—Continued

EOIR (Executive Office for Immigration Review)	$1.6 million
State Grant Bonus:	
Office of Justice Programs (Bonus)	$6.0 million
Subtotal (nonprison)	$189.1 million
Prisons:	
Federal Prison Construction	$1.0 billion

This will bring the total 1990 prison construction budget to over $1.5 billion, which includes $115 million available from the Special Forfeiture Fund available to the Office of National Drug Control Policy, and $401 million in the original Bush Budget.

Total Increase	[1] $1,189.1 billion

[1] This total can be accommodated within the overall domestic discretionary spending cap set in the Bipartisan Budget Agreement.

White House Statement on the President's Meeting With Cornelio Sommaruga

May 15, 1989

The President met today with Cornelio Sommaruga, president of the International Committee of the Red Cross (ICRC). The visit provided an opportunity for President Bush to express American appreciation for the impressive humanitarian and human rights work of the ICRC around the world. ICRC efforts on behalf of refugees, the hungry, the displaced, political prisoners, and prisoners of war are well-known and well-respected.

The President and Mr. Sommaruga specifically discussed ICRC activities in Afghanistan and Sudan, and Mr. Sommaruga thanked President Bush for the recent special contribution of $10 million as a humanitarian gesture for ICRC activities in these countries.

November 29, 1989

not out front on Education

MEMORANDUM FOR MARK LANGE

FROM: STEPHANIE BLESSEY

SUBJECT: PHIL GRAMM REMARKS

Clean Air - like some parts not like others

ENVIRONMENT

Senator Gramm has taken the lead on a number of environmental issues concerning Texas.

feds & State have started funds

o THE GALVESTON BAY ESTUARY PROGRAM -- was a leader on a federal-state program to preserve Galveston Bay. The Sun says of Gramm, "We are heartened by news from Senator Phil Gramm that funding for several programs beneficial to Galveston Bay has made its way through Congress."

Sun, Texas City, TX 9/14/89

Signed by Mex & U.S.

o OFF SHORE DUMPING -- Supported legislation for an international treaty (MARPOL Treaty) that would ban offshore dumping of garbage.

Enterprise, Beaumont, TX 3/2/88

started paying

o FIGHTS RIO GRANDE POLLUTION -- Pushed the Senate Appropriations Committee to spend the money to clean up the raw sewage pollution in the Rio Grande River. "The pollution of the Rio Grande," Gramm says, "is the most severe environmental problem in Texas and this is a major step toward dealing with it."

Laredo Morning Star 9/14/89

passed

The Bush Administration has proposed to include $7.5 million in the 1990 budget for the Nuevo Laredo sewage plant, with the rest of the federal share to be sought in the following fiscal year.

Dallas Morning News 5/5/89

DRUGS

Senator Gramm has taken a personal interest in Texas' fought against drugs.

Gramm believes there are two battles to be won on the drug front. He says, "We have to eliminate the demand for drugs through education and we have to eliminate the supply of drugs through law enforcement."

Press Reporter, Lamesa, 5/24/89

He has visited schools and county courthouses and has supported Aerostat blimps with radar and helicopters with ammunition.

Gazette, Texarkana, 4/26/89
Press-Reporter, Lamesa, 5/24/89
Democrat, Sherman, 8/23/89
American-Statesman 9/16/89

TAXES

Senator Gramm has fought to keep the hard working Texan -- the farmer and fisherman oil producer and construction worker -- from paying too many taxes.

o Two years ago Congress passed legislation that revoked off-road diesel users' exemption from the diesel tax. The following year Gramm already had their exemption reinstated. He said, "Whoever cooked up this bureaucratic nightmare inadvertently targeted some of the most hard-pressed people in Texas to impose it on: farmers, oil operators and fishermen."

AP 10/12/88

Gramm said, "Raising taxes is a mistake for a lot of reasons. Number one, tax increases are unnecessary in order to meet the targets of the deficit reduction law in place. Number two, raising taxes is not desirable, because what is desperately needed is the reordering of priorities and the termination of obsolete programs. Number three, raising taxes will simply allow the government to continue to grow. And that growth will be focused in areas where government policies are not working.

Policy Review, Fall 1989

DROUGHT RELIEF

Senator Gramm has tried to help Texans in need.

o Introduced legislation to help farmers "battered by extreme weather." Because of such a dry season 35-50% of Texas' winter wheat crop was destroyed.

American-Statesman, Austin, 5/19/89

o Gramm helped the Texas Farm Bureau coordinate a volunteer effort to transport 700 tons of East Texas hay to drought plagued South Texas. Gramm said, "This is a volunteer effort involving the Farm Bureau and private railroads working together, neighbor helping neighbor, in the best spirit of American volunteerism."

Dallas Morning News 9/21/89

SPACE

Senator Gramm supports the space program.

o "The SSC and the space station, Gramm said, "are the two most important things in the (federal) budget for Texas."

Houston Post, 3/24/89

GOOD THINGS ABOUT GRAMM

"Phil Gramm, in Congress less than ten years, has already changed the American fiscal firmament twice."

The Almanac of American Politics, 1988

"If you're going to tangle with him, remember two things: one, he's smarter than you; two, he's meaner than a junkyard dog," says Marvin Leath, a Democrat from Texas.

Truman "Get a dog."
I've got Phil Gramm.

Reader's Digest 4/1/87

"The first thing you think of this big tall Texan is that he just got off his horse," Goldwater said of Gramm. But I think he's one of the smartest, most intelligent men I've ever encountered in all my years in the Senate."

Fort Worth Star Telegram 6/16/85

"I don't know of any new Senator who has come to the Senate who has engraved his name so indelibly upon the walls of this institution as has Senator Gramm," said Barry Goldwater in a floor speech.

Congressional Record 5/7/86

House Speaker Thomas "Tip" O'Neill (D., Mass.) has vainly sought to stop Gramm's bill. "Senator Gramm ... is more responsible for the mess this nation is in than any other individual except Mr. Reagan," said O'Neill. "If the nation continues to follow Mr. Gramm, Lord only knows where we'll end up." But ten months later, O'Neill praised Gramm's law grudgingly: "There's no question the budget would have been higher without it." (possible lead-in for economics graph)

Readers Digest 4/1/87

"When it comes to paying attention to constituents, U.S. Senator Phil Gramm is hard to beat."

Nasvasota Examiner 6/29/89

"He prefers to be at home with his children, often eating the McDonald's McDLT he favors, than attending a formal dinner party."

Dallas Morning News 6/1/86

DOUG GAMBLE

Lange

424 - 36th Place
Manhattan Beach, CA 90266
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Nov. 29/89

TO: KRISTEN GEAR
2 pages

TOM TAUKE FUNDRAISER (Kurt Smith)

I CAN'T STAY TOO LONG. I'VE BEEN INVITED TO ATTEND ONE OF THOSE FAMOUS IOWA COMING-OUT PARTIES.

DESPITE WHAT HAPPENED IN 1988, I ENJOY RETURNING TO IOWA -- EVEN IF SOME PEOPLE THINK IT'S A LITTLE LIKE THE TITANIC RETURNING TO THE ICEBERG.

PEOPLE THINK I'M HERE TO SUPPORT TOM TAUKE. ACTUALLY, I'M JUST GETTING AN EARLY START ON 1992.

I'M HERE TO GIVE TOM MY SUPPORT, BUT AFTER WHAT HAPPENED IN 1988, NOT NECESSARILY MY POLITICAL ADVICE.

WHILE TOM TAUKE WAS SUPPORTING ME IN THE PRIMARIES LAST YEAR, HIS WIFE BEVERLY WAS SUPPORTING BOB DOLE. TOM KNEW THAT POLITICS MAKES STRANGE BEDFELLOWS, BUT HE DIDN'T KNEW IT MEANT HE'D BE SLEEPING IN THE GARAGE.

MORE...

TO: KRISTEN GEAR - TOM TAUKE FUNDRAISER

IF ANYONE WONDERS HOW TOM & BEV GET ALONG, THEY SHOULD SEE THE PICTURE I TOOK OF THEM EARLY THIS YEAR, KISSING EACH OTHER IN THE LINCOLN BEDROOM. BY THE WAY, BARBARA WANTS YOU TO KNOW IT'S NOT TRUE THAT TOM LOOKED UNDER THE BED AND FOUND FOUR SCORE AND SEVEN DUSTBALLS.

IT WAS A LITTLE LESS THAN A YEAR AGO THAT I TOOK A PICTURE OF TOM & BEV KISSING IN THE LINCOLN BEDROOM. WITH YOUR HELP, IT'LL BE A LITTLE LESS THAN A YEAR FROM NOW THAT TOM'S DEMOCRATIC OPPONENT WILL BE KISSING HIS SENATE SEAT GOODBYE.

TOM AND I SHARE THE SAME VIEWS ON KEEPING TAXES DOWN. YOU DON'T HAVE TO BE AN IOWA FARMER TO KNOW IT'S COWS THAT SHOULD BE MILKED, NOT TAXPAYERS.

DOUG GAMBLE

424 - 36th Place
Manhattan Beach, CA 90266
(213) 546-6409

Nov. 29/89

TO: KRISTEN GEAR
2 Pages

PHIL GRAMM FUNDRAISER (Mark Lange)

IT'S NICE TO BE HERE IN THIS INTIMATE, LITTLE SETTING.

I'VE ALWAYS SAID IT TAKES A PLACE THIS SIZE TO HOLD MY CHARISMA.

I LOOK FORWARD TO THROWING OUT THE FIRST BALL HERE NEXT OCTOBER WHEN THE TEXAS RANGERS PLAY THE HOUSTON ASTROS IN THE WORLD SERIES.

(re Charlton Heston introducing Gramm) I GUESS THE ONLY BETTER THING THAN ME BEING INTRODUCED BY PHIL GRAMM IS PHIL BEING INTRODUCED BY MOSES.

WE MIGHT NOT NEED GRAMM, RUDMAN, HOLLINGS IF WE COULD GET CHARLTON HESTON TO COME TO WASHINGTON AND PART THE RED INK.
(As Moses parted the Red Sea)

I WAS READING A CHRISTMAS STORY TO A COUPLE OF MY GRANDKIDS, AND WHEN THEY ASKED ME WHO THE THREE WISE MEN WERE I SAID "GRAMM, RUDMAN AND HOLLINGS."

MORE...

TO: KRISTEN GEAR - PHIL GRAMM FUNDRAISER (CONT'D)

GRAMM, RUDMAN, HOLLINGS NOT ONLY RESTRAINS FEDERAL SPENDING, BUT I HEAR THAT PHIL TOLD HIS TEENAGE SONS THERE'S FINE PRINT IN IT WHICH PREVENTS HIM FROM RAISING THEIR ALLOWANCE.

WHEN THE HOUSTON OILERS PLAY HERE AT THE ASTRODOME, IT'S KNOWN AS "THE HOUSE OF PAIN." WELL I NEED REPUBLICANS LIKE PHIL GRAMM IN THE U.S. SENATE TO HELP ME MAKE SURE THE DEMOCRATS DON'T GIVE US ANOTHER ECONOMY OF PAIN.

ONE OF OUR FAVORITE SONGS IS "DEEP IN THE HEART OF TEXAS," BUT THE DEMOCRATS SEEM TO ENJOY A VERSION CALLED "DEEP IN THE HEART OF TAXES."

drugs (balloon)

Drug war gets new weapons

Blimps to patrol U.S.-Mexico border

PRESS CLIPS
TEXAS PRESS ASSOCIATION
718 WEST 5th ST. AUSTIN, TEXAS 78701 PHONE 477-6755
American-Statesman
Austin, Texas
SEP 16 1989

By James Pinkerton
American-Statesman Staff

The 63,000-acre Ryan Ranch in West Texas seems an unlikely observation post in the war against drug smuggling, but a blimp also is an unlikely weapon.

This morning, law enforcement officials, a U.S. senator, politicians and cattle ranch owner Clay Evans will watch as a 240-foot-long Aerostat blimp floats skyward and a powerful, "look-down" radar begins its 150-mile scan of the Texas-Mexico border near Marfa.

"It looks like a smaller version of the barrage balloons that used to fly above London during the blitz," said Larry Neal, press aide to U.S. Sen. Phil Gramm, a longtime supporter of the project.

Despite its low-tech looks, the blimp — the fourth in a proposed fleet of six surveillance balloons — is the cornerstone of a sophisticated electronic network the U.S. Customs Service is stringing across the 2,000-mile U.S-Mexico border.

"They will be situated along the southern border of the United States in such a way that their coverage overlaps," said Charles Conroy, a Customs spokesman in Houston. "So when the system is complete — with two more balloons in Texas next year — then the entire southern border will be covered by a solid electronic picket fence."

The Marfa-based blimp is one of three that will be tethered to Texas soil. Construction on ground installations for a radar balloon based near Eagle Pass will begin next month, and development of a balloon base at Rio Grande City, in the Valley, begins in December.

Eventually, all six blimps will send their signals by telephone cable to March Air Force Base in Riverside, Calif., where customs agents can watch small aircraft taking off from Mexico. When the six blimps are operational, the government will be able to monitor the

See Blimp, B5

Blimp From B1

entire Mexico border and dispatch customs planes to intercept and force down suspected airborne smugglers.

The Marfa blimp is flown from a 23-acre plot the Customs Service has leased from rancher Evans, and will float 15,000 feet above some of Texas' most rugged countryside.

Evans said the people of Marfa support the project, in part because it will bring about two dozen full-time government jobs to the area.

"People here are acceptable to the idea. Everybody wants to cut down on the drug traffic," the rancher said.

The first blimp became operational in June 1988 at a Customs installation in Fort Huachuca, Ariz., and was followed by others anchored at Deming, N.M., and Yuma, Ariz.

Jerry Young, chief of Customs Aviation Operations in Tuscon, Ariz., said the Fort Huachuca blimp has already accounted for a number of seizures. Built by Westinghouse, the three 233-foot-long blimps are equipped with a modification of a powerful military ground-based radar used by air controllers.

"We've been up a little over a year, and I think we've made eight airplane seizures with the Aerostat. We had six with marijuana aboard and two where the airplanes were seized because they were outfitted for smuggling but on these occasions they didn't have any narcotics," said Young.

Customs officials believe the blimps deter smuggler pilots because they have followed several who have flown around Fort Huachuca to evade the radar.

"When we track known air smugglers, we have followed them as they fly around the Aerostat to go into Mexico. So we assume they're doing the same thing when they come north," said Young. "When all the balloons are up, they won't be able to do that."

Young added that since 1988, the year the blimp became operational, ground-based customs officers and U.S. Border Patrol agents say they have increased their cocaine seizures by 1,000 percent. Because of the balloons, some smugglers have abandoned the air and are moving their drugs overland, he said.

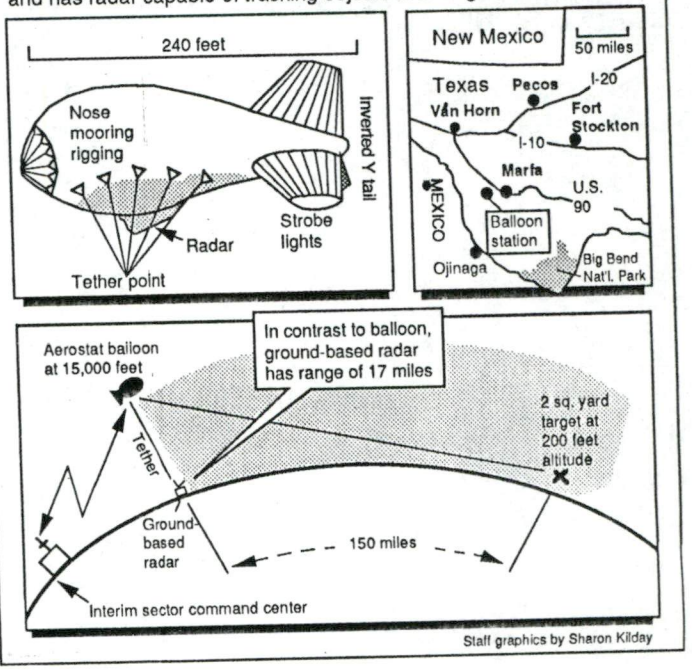
Customs officials say using the radar blimps is much cheaper than the present system of patrolling with expensive radar-equipped aircraft. The Customs Service operates six P-3 radar surveillance planes — which cost $27 million apiece — from an air base in Corpus Christi.

The unmanned blimps, which cost from $8 to $12 million per installation, are tethered to the ground with a cable that transmits the radar image to personnel below. General Electric Co., the manufacturer of the Marfa blimp, says the balloon can operate in winds of more than 80 mph and survive 105-mph gusts when moored.

"All of the blimps have been very successful, but one of the greatest things is they provide is a deterrent against the airborne drug smuggler," said Conroy. "Nobody in their right mind is going to fly a load of drugs into an Aerostat because it amounts to certain detection."

Radar surveillance blimp

A helium-filled, 240-foot-long blimp is scheduled to be launched today in West Texas, equipped to monitor the U.S.-Mexico border for flying drug smugglers. The tethered balloon will float at about 15,000 feet, and has radar capable of tracking objects at a range of 150 miles.



Staff graphics by Sharon Kilday

November 29, 1989

MEMORANDUM FOR MARK LANGE

FROM: STEPHANIE BLESSEY

SUBJECT: PHIL GRAMM REMARKS

ENVIRONMENT

Senator Gramm has taken the lead on a number of environmental issues concerning Texas.

o THE GALVESTON BAY ESTUARY PROGRAM -- was a leader on a federal-state program to preserve Galveston Bay. The Sun says of Gramm, "We are heartened by news from Senator Phil Gramm that funding for several programs beneficial to Galveston Bay has made its way through Congress."

Sun, Texas City, TX 9/14/89

o OFF SHORE DUMPING -- Supported legislation for an international treaty (MARPOL Treaty) that would ban offshore dumping of garbage.

Enterprise, Beaumont, TX 3/2/88

o FIGHTS RIO GRANDE POLLUTION -- Pushed the Senate Appropriations Committee to spend the money to clean up the raw sewage pollution in the Rio Grande River. "The pollution of the Rio Grande," Gramm says, "is the most severe environmental problem in Texas and this is a major step toward dealing with it."

Laredo Morning Star 9/14/89

The Bush Administration has proposed to include $7.5 million in the 1990 budget for the Nuevo Laredo sewage plant, with the rest of the federal share to be sought in the following fiscal year.

Dallas Morning News 5/5/89

DRUGS

Senator Gramm has taken a personal interest in Texas' fought against drugs.

Gramm believes there are two battles to be won on the drug front. He says, "We have to eliminate the demand for drugs through education and we have to eliminate the supply of drugs through law enforcement."

Press Reporter, Lamesa, 5/24/89

He has visited schools and county courthouses and has supported Aerostat blimps with radar and helicopters with ammunition.

Gazette, Texarkana, 4/26/89
Press-Reporter, Lamesa, 5/24/89
Democrat, Sherman, 8/23/89
American-Statesman 9/16/89

TAXES

Senator Gramm has fought to keep the hard working Texan -- the farmer and fisherman oil producer and construction worker -- from paying too many taxes.

o Two years ago Congress passed legislation that revoked off-road diesel users' exemption from the diesel tax. The following year Gramm already had their exemption reinstated. He said, "Whoever cooked up this bureaucratic nightmare inadvertently targeted some of the most hard-pressed people in Texas to impose it on: farmers, oil operators and fishermen."

AP 10/12/88

Gramm said, "Raising taxes is a mistake for a lot of reasons. Number one, tax increases are unnecessary in order to meet the targets of the deficit reduction law in place. Number two, raising taxes is not desirable, because what is desperately needed is the reordering of priorities and the termination of obsolete programs. Number three, raising taxes will simply allow the government to continue to grow. And that growth will be focused in areas where government policies are not working.

Policy Review, Fall 1989

DROUGHT RELIEF

Senator Gramm has tried to help Texans in need.

o Introduced legislation to help farmers "battered by extreme weather." Because of such a dry season 35-50% of Texas' winter wheat crop was destroyed.

American-Statesman, Austin, 5/19/89

o Gramm helped the Texas Farm Bureau coordinate a volunteer effort to transport 700 tons of East Texas hay to drought plagued South Texas. Gramm said, "This is a volunteer effort involving the Farm Bureau and private railroads working together, neighbor helping neighbor, in the best spirit of American volunteerism."

Dallas Morning News 9/21/89

SPACE

Senator Gramm supports the space program.

o "The SSC and the space station, Gramm said, "are the two most important things in the (federal) budget for Texas."

Houston Post, 3/24/89

GOOD THINGS ABOUT GRAMM

"Phil Gramm, in Congress less than ten years, has already changed the American fiscal firmament twice."

The Almanac of American Politics, 1988

"If you're going to tangle with him, remember two things: one, he's smarter than you; two, he's meaner than a junkyard dog," says Marvin Leath, a Democrat from Texas.

Reader's Digest 4/1/87

"The first thing you think of this big tall Texan is that he just got off his horse," Goldwater said of Gramm. But I think he's one of the smartest, most intelligent men I've ever encountered in all my years in the Senate."

Fort Worth Star Telegram 6/16/85

"I don't know of any new Senator who has come to the Senate who has engraved his name so indelibly upon the walls of this institution as has Senator Gramm," said Barry Goldwater in a floor speech.

Congressional Record 5/7/86

House Speaker Thomas "Tip" O'Neill (D., Mass.) has vainly sought to stop Gramm's bill. "Senator Gramm ... is more responsible for the mess this nation is in than any other individual except Mr. Reagan," said O'Neill. "If the nation continues to follow Mr. Gramm, Lord only knows where we'll end up." But ten months later, O'Neill praised Gramm's law grudgingly: "There's no question the budget would have been higher without it." (possible lead-in for economics graph)

Readers Digest 4/1/87

"When it comes to paying attention to constituents, U.S. Senator Phil Gramm is hard to beat."

Nasvasota Examiner 6/29/89

"He prefers to be at home with his children, often eating the McDonald's McDLT he favors, than attending a formal dinner party."

Dallas Morning News 6/1/86

PRESS CLIPS
TEXAS PRESS ASSOCIATION
718 WEST 5th ST. AUSTIN, TEXAS 78701 PHONE 477-6755
Gazette
Texarkana, Texas
APR 26 1989

drugs

Dope dealers are 'hawk's prey

Officials unveil new weapon in war on drugs

By KEVIN FREKING
Of the Gazette Staff

Local law enforcement agencies got a chance to look at the federal government's latest weapon against drug dealers Tuesday at Texarkana Regional Airport.

Better yet, they were told in case of a large drug bust in the area, they might even be able to obtain its services.

The UH-60 Blackhawk helicopter, which can travel up to 193 miles per hour, has night vision and a crew capacity of 10, was presented by representatives of the U.S. Customs Service and U.S. Sen. Phil Gramm, R-Texas.

"Most of the time they are not going to need it," Gramm said. "But when they do need it, when they've got good hard information there is going to be a drug delivery on a rural airstip and they know the people delivering drugs will be well-armed, we are announcing today these helicopters and crews are available to local law enforcement officials."

Cost for operating the Blackhawk – $5.5 million to build and $3,000 per hour to run – will be paid for during local law enforcement busts by the federal government.

While local law enforcement officials were happy to see the federal government helping out locally, most did not foresee the helicopter being put to use near Texarkana.

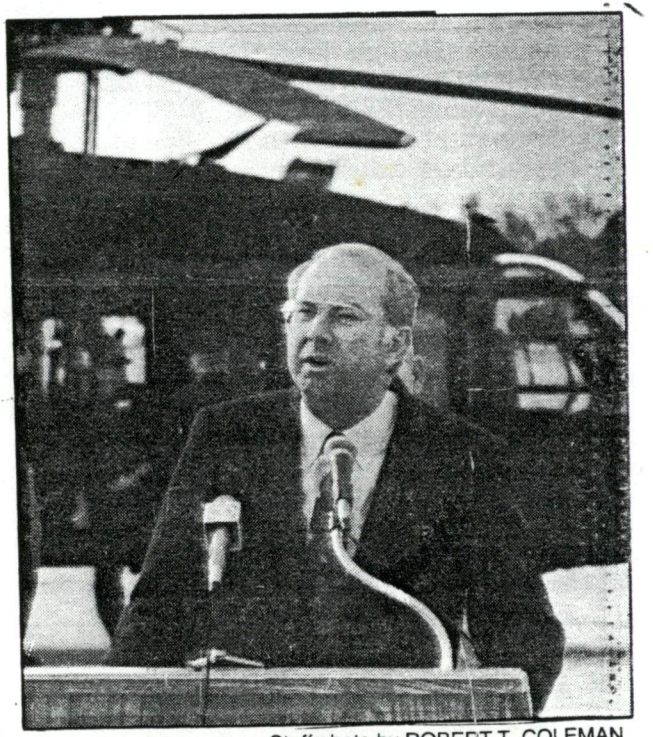
"I don't see where it's out of the question," Texasside Police Chief Lee Spradlin said. "But, I can see where it's being scheduled by several agencies and it would be hard to get on short notice."

Spradlin, who is president of the East Texas Police Association, said most of the police chiefs in the area are in favor of the federal government, especially the military, stepping in to help the city and county agencies.

Currently, local law enforcement agenices are overwhelmed by the numbers and money involved in illegal drug trafficking, he said.

"I think they are going to have to step in," Spradlin said. "I know there would be problems, but I also know if the federal government had the mind to, it could close the borders not only to illegal drugs, but illegal aliens."

Gramm said Customs officials don't use the Blackhawk to intercept an airplane or another helicopter, but wait until the transaction is being made and then step in to stop it.



Staff photo by ROBERT T. COLEMAN

U.S. Sen. Phil Gramm, R-Texas, and members of the U.S. Customs Service told local law enforcement officials that the Blackhawk helicopter and crew were available when needed to stop drug dealers from making deliveries at rural airports.

11/29/84

Gramm

Jim Miller's anecdotes

Met Wendy as part of recruiting team @ Texas A&M in '70 or '71

Interviewed w/ 3 people @ A&M
Phil jumped up & helped
told John Allen if you'll hire her, I'll marry her.

Texas - sitting on Brazos River w/ graduate students
A&M Gig 'em Aggies

Married above himself. There She's smarter.

Miller gave her job. FTC - economist -- of Wendy's job.

The truth of the matter is she's a whole lot smarter than he is.
Miller to reporters

Rep. Committeewoman said What in the world makes you think that a college prof can run for etc.

D.G., Chuck Mourich & Bob Ekblund prof. @ A&M decided to coach Little League

Told them they didn't have any experience but they had been reading books. L.L. had lost every game.

Next year they won the championship Gave confidence to kids.

U can be a champion, be anything you want.

In '48

finally bought house in A.U. Park. Called banker & said needed more money. Banker said you deserve a nice house. Thought it was Taj Mahal. - Just

Took remedial English. Talks like he's out of back woods but he's smart as hell.

Would tell prof. looked up answer & solved problem from there

POTUS copy

(Lange/Blessey)
December 5, 1989
7:15 p.m.
[GRAMM.DOC]

PRESIDENTIAL REMARKS: PHIL GRAMM FUNDRAISER
THE ASTRODOME, HOUSTON
THURSDAY, DECEMBER 7, 1989
[7:30 P.M.]

Thank you, Phil. ((I'll admit it, these days I'm a little nervous when I give a speech on December 7th...))

Wendy Gramm. Secretary Brady. Dr. Bill Bennett. Chairman Atwater, Fred Meyer (State Chairman), Penny Butler (National Committeewoman), Lee Greenwood. Members of the Republican Texas Congressional Delegation. Fellow Texans...

((You know, the only thing better than being introduced by Phil Gramm, is hearing Phil Gramm being introduced by Moses. \\

The Astrodome is often called the "House of Pain." Maybe that's why the other party is rumored to be holding its next convention here.))

Actually, I'm happy to say that Houston was just chosen as the site for the next economic summit. In 1990, the world's economic superpowers will all convene here. Thought I'd show off my home town. I hope you don't mind. \\

As you know, I've just returned from what many have called a saltwater "summit" with Mikhail Gorbachev. Others have called it the "schmooze cruise." \\ As usual, reality is somewhere in the middle.

Our meeting was a positive, productive, hopeful step toward a new American-Soviet relationship. Our talks ranged widely, and offered a glimpse of what **all** of us have hoped for, these forty

years: a more stable, more peaceful world.

With the support of the American people, and with the solidarity of the Alliance, the promise of a new world of freedom is within our reach. May it be fulfilled in our lifetime. \\

I offered a number of ideas to Chairman Gorbachev. I suggested we work to complete a trade agreement, granting Most Favored Nation status to the Soviet Union, when I meet with him next year in Washington.

I proposed that we work to sign a new treaty on Conventional Forces in Europe in 1990. And I suggested we accelerate the START process -- and speed the ban of chemical weapons.

Tensions **have** been reduced. But there was one area where I had to speak firmly, and frankly -- and that was on Central America. There can be no misunderstanding here.

Whatever else the Sandinistas have told our friends in the Soviet Union, we **know** that arms are going from Nicaragua into El Salvador. Activities in those countries and in Cuba weigh heavily on U.S.-Soviet relations. **We want this hemisphere free of that burden.** \\

My meeting with Mikhail Gorbachev was a great success -- a chance to build a new friendship. But tonight it's great to be home among so many old friends -- here at the Superbowl of political fundraisers -- and to have a chance to say a few words about a very close friend. One of the best friends Texas ever had. **Senator Phil Gramm.**

I've known Phil for a lot of years, and I know that when

a problem needs attention -- when good policy needs to be created, or misguided policy needs to be changed -- Phil is always the first out of the blocks. Willing to take political risk for the public good. **Phil Gramm brings courage to Capitol Hill.**

There's no better evidence for that, than the story of how Phil got his start as a Republican. In 1983, you know, Phil was a Democratic Congressman. He was justifiably proud of his work on the 1981 budget -- **rebuilding** national defense and **reordering** government priorities.

He risked a lot to push that budget through -- and was stripped of his seat on the House Budget Committee because of it. ((We all make mistakes. Phil's only mistake was running as a Democrat.))

So he changed parties and, in a real profile in courage, he resigned from Congress -- to allow the people of his district to judge him and his actions. He won re-election on Lincoln's birthday, as the first Republican Congressman in the history of the 6th District. **We were glad to have him. And America was lucky to get him back.**

And we were even luckier to have Senator Phil Gramm when, last winter, this administration set out to make new progress on a number of fronts: Education. The environment. The fight against drugs. And a balanced budget. We've made progress -- and Phil Gramm has been with us every step of the way.

Because **education** is the path to a brighter American future,

we convened the first Education Summit in American history. We called for greater choice, and increased accountability, while promoting and rewarding excellence. **Phil Gramm understands** the value of good education -- he co-sponsored our Educational Excellence Act.

We've also worked hard to preserve all of the facets of our precious **environment**. We've proposed the first reforms to the Clean Air Act in over a decade, working to balance economic growth with environmental protection. **Phil Gramm understands** that balance -- he's helped us craft economically efficient market incentives for our Clean Air Proposal.

Here in Texas he's been a leader in the federal and state program to preserve Galveston Bay. He's supported legislation for an international treaty banning offshore dumping in the Gulf. And he's worked to clean up the Rio Grande River. **Phil Gramm is making sure the great state of Texas preserves what's hers.**

But we must preserve another precious resource -- our children. There is no greater threat to the health of the American mind and the American family, than the poison of illegal drugs -- so this administration is working to **win the fight against drugs.**

Phil Gramm understands that fight -- he's been on the front line from day one. He was there as Bill Bennett crafted our National Drug Strategy to toughen enforcement, limit supply, and shut down demand. But it will be a long war -- and that's another reason I need Phil Gramm in Washington.

We'll also need Phil for another tough fight. This Administration is committed to a balanced budget -- and **Phil Gramm understands** how to balance a budget.

He's fought budget-busting irresponsibility by creating landmark budget-**balancing** legislation -- the Gramm-Rudman-Hollings legislation. By helping us fend off tax increases. And by encouraging the kind of incentives that **continue** to create an average of over 200,000 new jobs a month -- every month -- for the last 84 months of this record-breaking peacetime economic expansion. **Phil Gramm understands prosperity. He creates it -- every day he's working in the U.S. Senate.**

The Senate needs Phil Gramm -- because as you know, this man is very smart. Last Spring, when I was flying with Phil on Air Force One -- on my way to giving the Aggie commencement address -- he offered to trade his A & M tie for my ordinary striped one.

I thought that was a pretty shrewd trade on my part. Until later, when I found out Phil went off to the Tarrant County Republican Women's Club -- and auctioned off my tie. For a thousand dollars. With that kind of savvy in Washington, there's no doubt we'll balance the budget.

Just the other night, I was reading a Christmas story to a couple of grandkids -- and when they asked me who the Three Wise Men were, I said "Gramm, Rudman, and Hollings."))

Thanks to that landmark legislation, in three of the last four years, government has actually gotten **smaller** compared to the private sector of the economy -- and the deficit has been cut

roughly in half. The discipline that this legislation imposes on Congress is absolutely crucial to our long term efforts to balance the federal budget deficit. ((I hear they're planning to invite Charlton Heston to Washington, to see if he can part the red ink. \\ But I know that Washington will never find a stronger advocate for a balanced budget, than the Senator from Texas.))

You know, there's a story that Phil's half-brother tells, that when Phil was a tyke, he started a neighborhood army of half a dozen kids. One day, the smallest of the group ran crying to Mrs. Gramm. The other boys were Corporals or Captains, and they were working this young Private pretty hard.

Well, Phil's mother called in Colonel Gramm and told him to fix the situation immediately. Phil said, "Yes, Ma'am," turned around, promoted the Private to 2nd Lieutenant, and promoted himself to Major General. \\

Like I said -- Phil's a smart man. A man who understands power and how to use it -- to improve education and the environment, to win the fight against drugs, and to balance the budget. But even more important, Phil Gramm knows how to empower other Americans. **All** Americans.

"The largest beneficiary of a program for economic freedom," he said recently, "is not the person who already has a piece of the pie, but the person who wants the opportunity to get one."

I need -- Texas **demands** -- and **America <u>deserves</u>** Phil Gramm's bold, courageous leadership, to make the right things happen on

Capitol Hill. He's a Senator who knows what it means to serve his constituents, and his country -- and every day he's in the Senate, he serves them ably, compassionately, and well.

Thank you. God bless you. And God bless the great state of Texas.

# # #

Fiscal Years

Table 1.3 -- SUMMARY OF RECEIPTS, OUTLAYS, AND SURPLUSES OR DEFICITS(-) IN CURRENT DOLLARS, CONSTANT 1982 DOLLARS, AND AS PERCENTAGES OF GNP: 1940 - 1994
(dollar amounts in billions)

12/7/89

	Current Dollars			Constant 1982 Dollars			Addendum: Composite Deflator	Percentages of GNP *		
	Receipts	Outlays	Surplus or Deficit(-)	Receipts	Outlays	Surplus or Deficit(-)		Receipts	Outlays	Surplus or Deficit(-)
1975	279.1	332.3	-53.2	492.1	586.0	-93.9	0.5671	18.3	21.8	-3.5
1976	298.1	371.8	-73.7	488.9	609.8	-120.9	0.6097	17.6	21.9	-4.3
TQ	81.2	96.0	-14.7	129.0	152.4	-23.4	0.6298	18.1	21.4	-3.3
1977	355.6	409.2	-53.6	541.0	622.6	-81.6	0.6572	18.4	21.2	-2.8
1978	399.6	458.7	-59.2	568.0	652.2	-84.1	0.7034	18.4	21.1	-2.7
1979	463.3	503.5	-40.2	607.5	660.2	-52.7	0.7626	18.9	20.6	-1.6
1980	517.1	590.9	-73.8	611.7	699.1	-87.3	0.8453	19.4	22.1	-2.8
1981	599.3	678.2	-78.9	642.0	726.5	-84.6	0.9335	20.1	22.7	-2.6
1982	617.8	745.7	-127.9	617.8	745.7	-127.9	1.0000	19.7	23.8	-4.1
1983	600.6	808.3	-207.8	575.8	775.0	-199.2	1.0430	18.1	24.3	-6.3
1984	666.5	851.8	-185.3	616.6	788.1	-171.5	1.0808	18.1	23.1	-5.0
1985	734.1	946.3	-212.3	659.1	849.6	-190.6	1.1138	18.6	23.9	-5.4
1986	769.1	990.3	-221.2	673.8	867.5	-193.8	1.1415	18.4	23.7	-5.3
1987	854.1	1,003.8	-149.7	729.8	857.8	-127.9	1.1703	19.3	22.6	-3.4
1988	909.0	1,064.0	-155.1	751.0	879.2	-128.1	1.2103	19.0	22.3	-3.2
1989 estimate.	975.5	1,137.0	-161.5	774.2	902.4	-128.2	1.2600	19.2	22.2	-3.2
	990.8	1142.9	-152.1							-3.0
1990 estimate.	1,059.3	1,151.8	-92.5	810.4	881.2	-70.8	1.3072	19.8	21.0	-1.7
1991 estimate.	1,140.5	1,207.3	-66.8	843.3	892.7	-49.4	1.3524	19.5	20.6	-1.1
1992 estimate.	1,212.2	1,244.4	-32.2	871.7	894.9	-23.2	1.3906	19.5	20.0	-.5
1993 estimate.	1,281.4	1,279.0	2.4	901.4	899.7	1.7	1.4216	19.5	19.5	*
1994 estimate.	1,345.0	1,311.6	33.4	929.3	906.3	23.0	1.4472	19.5	19.0	0.5

* 0.05 percent or less

* 1st decline in 14 yrs (since 1973)

* Based on budget figures in $millions and GNP figures in $billions (to 1 decimal)

... AND SURPLUSES OR DEFICITS (-) BY FUND GROUP: 1934 - 1994

November 6, 1989

MEMORANDUM FOR ROGER B. PORTER

THROUGH: JIM PINKERTON

FROM: WILLIAM L. EAGLE
EMILY M. MEAD

SUBJECT: Summary of the President's accomplishments.

This memo is our revised synthesis of the OPD staff summaries (attached for your examination) of the President's accomplishments that you requested.

Prosperity

- The United States is now in its 84th month of economic expansion.
- Real economic growth has been 2.9 percent.
- Since the President has taken office, there have been 1.9 million new jobs created -- an average of 209,000 per month.
- Personal income has risen by over $200 billion since January -- an average of $800 per person.
- The President is forcefully promoting the opening of world markets through the Super 301 provision of the Omnibus Trade and Competitive Act of 1988.
- The Administration has vigorously maintained an international commitment to an ambitious Uruguay Round of trade negotiations and has reached an international consensus through the Steel Trade Liberalization Program.

Fiscal Responsibility

- President Bush submitted a budget which met the Gramm Rudman targets for FY90.
- As promised, the President has held the line on taxes.

- The President successfully negotiated a 27 percent increase in the minimum wage coupled with a training wage provision.
- The President is holding his ground on capital gains.
- The President has addressed the savings and loan crisis, assuring the American people that their savings will be secure and free from further reckless, corrupted mismanagement.

Environment

- The President presented the first revision of the Clean Air Act in over ten years calling for mandated reductions in destructive emissions which cause acid rain, urban ozone and toxic air pollution.
- The President's budget included $710 million for the Clean Coal Technology Program, and $315 million for the Superfund Cleanup.
- The President also banned the export of hazardous waste and implemented a medical waste tracking program to keep needles off our beaches.
- While maintaining his commitment to "no-net-loss" of wetlands, the President has also presided over a driftnet fishing agreement with several Asian nations, as well as an international ban on the trade of African elephant ivory.
- The President has postponed oil drilling lease sales off environmentally sensitive areas of the California and Florida coasts.

Crime and Drugs

- The President sent The Comprehensive Violent Crime Control Act of 1989 to Congress, which included additional needed funds for federal enforcement, an expansion of federal prison capacity, augmentation of prosecution personnel, and a ban on certain semi-automatic weapons.
- The President unveiled his National Drug Control policy calling for increased spending of nearly $8 billion for education, treatment, enforcement and interdiction.

- Conforming to this plan, the Department of Housing and Urban Development has taken measures to provide for drug free public housing.

Education

- In February, the President proposed his Educational Excellence Act of 1989, focusing on seven initiatives, including merit schools, improved math and science education, and alternative certification for teachers.

- As promised, the "Education President" summoned the governors to a national summit on education in which they addresed the problems of the nation's educational system. The summit conferees issued a joint statement laying the groundwork for educational reform in America based on the President's principles: the recognition of excellence; addressing need, flexibility and choice; and ensuring accountability.

Kinder, Gentler America

- Consistent with his call for "A kinder and gentler America," the President has transmitted the Working Family Child Care Assistance Act of 1989 which provides a refundable tax credit for child care and places choice in the hands of parents to decide who best can care for their children.

- The President requested an additional $250 million for the Head Start program.

- The President has requested full funding for the McKinney Act to assist homeless families and the mentally ill.

- The President has reauthorized the Low Income Opportunity Board, coordinating federal agencies, and assisting states in better utilizing federal money to aid the low-income population.

- The Americans with Disabilities Act will provide unprecedented protection against discrimination for persons with disabilities -- perhaps the most significant expansion of civil rights laws in the past two decades.

- The President called upon Congress to reauthorize the Commission on Civil Rights.

- The President signed the Whistleblower Protection Act of 1989 to strengthen the rights of employees in reporting misdeeds and mismanagement.

- To combat infant mortality rates, the President has requested the Congress to expand Medicaid eligibility of pregnant women, as well as provide for coverage of childhood immunizations.

- The President has also asked Congress to augment tax credits relating to adoption expenses.

- Though the promotion of wider availability of experimental and therapeutic drugs such as AZT, the President has demonstrated his commitment to the eradication of the HIV virus and AIDS.

Invest in our Future

- Concerned with the economic difficulty of our inner cities, the President has submitted amendments to the JTPA as well as a proposal to promote enterprise zones.

- The President has called for the development of a National Energy Strategy to provide a plan for a secure and abundant and environmentally safe energy supply for the nation. Toward that end, the President ordered the decontrol of natural gas prices.

- The President has made a commitment to the continued exploration of space through the creation of the National Space Council, chaired by the Vice President.

- In a bold new initiative, the President has proposed the deployment of Space Station Freedom, the establishment of a permanent presence on the moon, and a manned mission to Mars.

Reform

- The President has made proposals to Congress for comprehensive reforms in campaigns and elections, and ethics

in government.

- The President issued an executive order on ethical conduct covering the employees of the executive branch.

- The Office of National Service has been energized by the President's founding of the Points of Light Initiative to identify, enlarge, and duplicate successful community service programs throughout the nation.

- The Secretary of Housing and Urban Development has implemented departmental reform programs to eliminate discretionary funding, mandate documented accountability, and increase powers of the Inspector General.

#

November 3, 1989

MEMORANDUM FOR JIM PINKERTON

FROM: BRAD MITCHELL

SUBJECT: Science and Technology Accomplishments

SCIENCE AND TECHNOLOGY POLICY

Reinvigorated and Expanded the Office of Science and Technology Policy

The President has designated the Director of the Office of Science and Technology Policy Assistant to the President for Science and Technology. The President obtained a full 82 percent increase in the OSTP budget, reflecting the importance he places on the scientific and technological advice provided by OSTP.

Doubling the National Science Foundation Budget by 1993

The President's NSF budget continues to increase at a rate that will enable the NSF's budget to double by 1993. These increases will allow the NSF to support the Engineering Research Centers, Advanced Scientific Computing Centers, and the 11 interdisciplinary Science and Technology Centers established in 1989.

Improving Science Education

The President unveiled the Educational Excellence Act of 1989 in April of this year. Included in this package is the National Science Scholars program. The National Science Scholars program would encourage achievement in the sciences by providing scholarships to graduating high school students who have excelled in the sciences, mathematics or engineering. A group of 570 scholars would be selected each year with each scholar receiving up to $10,000 a year for each year of their undergraduate education.

November 3, 1989

MEMORANDUM FOR JIM PINKERTON

FROM: BRAD MITCHELL

SUBJECT: Space Accomplishments

SPACE EXPLORATION

Established the National Space Council

On April 20, 1989 the President demonstrated the importance he attaches to the development of space by signing an Executive order establishing the National Space Council. President Bush named the Vice President chairman of the Council. The President charged the Council with bringing "coherence and continuity and commitment to our efforts to explore, study and develop space."

Under the leadership of the Vice President, the Council has already produced positive results. The Council resolved a long-standing policy debate surrounding the Landsat satellite system, reshaped the National Aerospace Plane (NASP) program and is developing an action plan for a moon base and a manned mission to Mars.

Bold Exploration Initiative

The President tasked the Council with developing "concrete recommendations to chart a new and continuing course to the moon and Mars and beyond". The Council is currently developing an options package for the President.

Investing Resources

The President ensured the adequate funding for space activities and obtained a 14 percent budget increase for NASA programs. The President also secured a 100 percent increase in the NASA budget for Space Station Freedom.

Accomplishments: Education

Four Education Principles

President Bush established four principles which are the foundation for his Administration's education policy and accomplishments:

- Recognition of excellence
- Addressing need
- Flexibility and choice
- Ensuring accountability

These principles have provided the basis for the President's progress toward improving educational quality for all Americans, most notably through the Education Excellence Act of 1989 and the historic President's Education Summit with Governors.

Educational Excellence Act of 1989

The Educational Excellence Act of 1989, transmitted to Congress on April 5, 1989, outlines seven initiatives to foster excellence in American education and spur educational reform.

- Presidential Merit Schools: A program to give cash awards to public and private elementary and secondary schools which have improved the quality of education of their students.

- Magnet Schools of Excellence: A program to support the establishment or enhancement of magnet schools, which increase parental choice.

- Alternative Certification of Teachers and Principals: A program to encourage states to develop or expand flexible certification systems.

- President's Awards for Excellence in Education: Presidential awards for excellent private and public school teachers.

- National Science Scholars: Scholarships to encourage students to pursue the sciences in postsecondary education.

- Drug-Free Schools Urban Emergency Grants: Grants for urban districts to develop comprehensive approaches to combatting drugs and related problems.

- Historically Black Colleges and Universities (HBCUs): A bill to strengthen HBCUs through matching grants. In addition, the President signed an Executive Order providing technical assistance to HBCUs and expanding opportunities for HBCU students.

The President's Education Summit with Governors

The President's Education Summit with Governors was held on September 27 and 28 in Charlottesville, Virginia. The calling of the Summit fulfilled a commitment made during the campaign and was the third time in history a President has called on the nation's Governors to address a single issue of importance to the Nation. The Summit brought together the President, his Cabinet, and the Governors in working groups and plenary sessions to focus on issues including choice and restructuring, teaching, the learning environment, governance, a competitive workforce and life-long learning, and postsecondary education.

At the conclusion of the Summit, the Governors and the President issued a "Joint Statement" committing to four objectives to provide the groundwork for education reform in America:

- national education goals;
- increased flexibility in the use of Federal funds;
- state-by-state restructuring of the education system;
- measurement of progress.

A commitment was made to address the issues of national goals and increased flexibility in early 1990. The President and the Governors stressed the need for parents, teachers, principals, corporate leaders, and other Americans to become personally involved in the process of education reform.

At the Education Summit, the President delivered a convocation address which has been widely praised for its vision of America's future. He described an education system which is "unafraid of diversity," in which "parents are full partners in the education of their children," and which "never settles for the minimum."

President's Education Policy Advisory Committee

On June 5, 1989, in a speech to the business community, the President announced his intention to form the President's Education Policy Advisory Committee (PEPAC), the first such committee he announced as President. The committee's membership was announced in mid-October and includes representatives from education, business, labor, and media. The PEPAC will be chaired by Paul O'Neill, Chief Executive Officer of Alcoa, and will advise the President directly on issues related to education policy.

The Commitment of the Administration

The President has made it clear that education is a priority for his entire Administration. Mrs. Bush's leadership in literacy, Secretary of Education Lauro Cavazos's leadership in choice, and the efforts of other Administration officials have contributed to the foundation which has been established for excellence in education.

ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

KEEPING THE ECONOMY STRONG

- **Steel Trade Liberalization Program.** The Administration successfully implemented the President's program 1) to extend steel voluntary restraint agreements until March 31, 1992, and 2) to reach an international consensus eliminating subsidies and increasing market access. The program represents a major step toward returning market principles to international trade in steel.

- **Uruguay Round.** The Administration has been the prime mover in maintaining international commitment to an ambitious Uruguay Round of trade negotiations. The Round would reduce barriers to trade in both goods and services. For the first time, barriers to trade in agriculture would be reduced. Negotiations are to be completed by the end of 1990.

- **The Brady Plan.** In March, the Administration launched the Brady Plan for addressing the international debt situation. The plan set a new direction for the debt strategy by emphasing reductions in debt and debt servicing levels. Previous plans had emphasized new lending. The most successful case under the Brady Plan has been the rescheduling agreement concluded in late summer between Mexico and its commercial banks.

- **Opening Foreign Markets.** The Super 301 provision of the Omnibus Trade and Competitiveness Act of 1988 required the Administration to identify foreign countries that maintain barriers to U.S. exports, and to negotiate the elimination of those barriers. The Administration implemented a strategy last may that has avoided potentially serious foreign policy problems while securing more open markets abroad. In the most difficult case, Japan, we complemented the Super 301 action with the Structural Impediments Initiative, intended to address deep-seated systemic practices in Japan's economy that have the effect of keeping imports out.

- **Mexico.** During President Salinas' October visit to Washington, the two countries agreed on a framework for negotiating the elimination of a wide range of bilateral trade barriers.

November 3, 1989

THE WHITE HOUSE

WASHINGTON

November 3, 1989

MEMORANDUM FOR JIM PINKERTON

FROM: LARRY LINDSEY

SUBJECT: Accomplishments in Domestic Economic Policy

- o Continued the longest peacetime expansion in American history.
  - Real economic growth has been 2.9 percent since Bush took office.
  - November is the 84th month of this expansion.
  - 1.9 million jobs have been created since George Bush became President, an average of ~~209,000~~ 100,000 each month.
  - Personal income has risen more than $200 billion since Bush took office, or roughly $800 for every man, woman, and child.
- o Enacted a 27 percent increase in the minimum wage coupled with a training wage provision. This will increase the wages of low income families while minimizing the job loss associated with less carefully structured minimum wage increases.
- o Enacted comprehensive legislation to rescue our savings and loan institutions. The legislation will assure that depositors do not lose any of the money they entrusted to savings and loans, will toughen regulations and capital requirements so that problems will not recur, and will punish wrongdoers who defrauded their depositors.
- o Held the line against tax increases for the FY90 budget. This occurred in spite of repeated calls by some in Congress for tax increases.
- o Achieved the Gramm Rudman targets for FY90, lowering our deficit to less than 2 percent of GNP, from over 5 percent in 1986.
- o Decontrolled natural gas pricing. George Bush became the first President since Eisenhower to have a completely deregulated energy industry.
- o Held an Education Summit with Governors. This was the first summit held since the 1930s between the President and the

Ed

nation's governors and highlighted education as an urgent priority. The governors and the President concurred that accountability, flexibility, and choice were all important reforms to strengthen education, and that increased funds were not the answer.

- Submitted an Enterprise Zone proposal to the Congress to revitalize our nation's inner cities.

- Proposed amendments to the Job Training Partnership Act which will target this valuable program on those with the greatest need. Increased funds will go to those who have both a skill deficiency and are in poverty.

- Achieved passage of a capital gains tax reduction by the House of Representatives and achieved support for such an initiative by a majority of the members of the Senate.

THE WHITE HOUSE
WASHINGTON

November 3, 1989

MEMORANDUM FOR JIM PINKERTON

FROM: DOREEN TORGERSON DT
HANNS KUTTNER

SUBJECT: President Bush's First-Year Accomplishments in Health and Human Services

Per Roger's request, here are our submissions for the President's first-year accomplishments in Health and Human Services. These are not in any particular order. Please contact us if we can be of further assistance.

Homeless

The President's commitment to reducing homelessness is clear. He requested full-funding of McKinney Homeless Assistance Act programs for FY 1990 ($746 million). In addition, the President requested $50 million for an initiative to reduce homelessness through public-private partnerships. Unfortunately, Congress has failed to match the President's commitment in FY 1990 appropriations.

Adoption

The President's accomplishments in the area of adoption are significant. In September, the President sent two legislative proposals to Congress designed to encourage adoption of special needs children. The first permits adoptive parents to deduct $3000 from taxable income for adoption-related expenses. The second reimburses Federal employees who adopt up to $2000 for expenses. In addition, the President has directed all Federal agencies to develop plans for supporting and promoting adoption of special needs children (e.g., flexible leave).

Head Start

The President is succeeding in giving our nation's needy preschoolers a head start in life. His FY 1990 budget request includes a $250 million increase for Head Start to be used for expanding participation to 95,000 eligible children. It does not look like Congress will fully deliver onthis commitment in its FY 1990 appropriation.

Medicaid

President Bush has taken concrete steps toward improving health care for at-risk populations and decreasing infant mortality. This year he asked Congress to raise mandatory Medicaid eligibility for pregnant women and infants to 130 percent of the poverty level. In addition, he requested an expansion of Medicaid coverage of immunizations for all children ages 0 to 5 who are eligible for Food Stamps.

AIDS

The President has made combatting AIDS a national priority. New drugs entering the market this year, namely AZT, are holding promise for people infected with the AIDS virus. As we enter a new decade, the treatment picture looks much better.

Low Income Opportunity Board

To continue progress in the area of welfare reform, the President re-instated this welfare policy coordinating unit established under President Reagan as the Interagency Low Income Opportunity Advisory Board. The Board enhances interagency coordination of Executive Branch activities designed to lift low-income Americans up from dependency, and assists States that seek to demonstrate more effective approaches for using Federal dollars to serve the low-income population.

THE WHITE HOUSE

WASHINGTON

November 3, 1989

MEMORANDUM FOR JAMES PINKERTON

FROM: NANCY A. MALOLEY
PAUL D. ROELLIG

SUBJECT: Presidential Initiatives

Clean Air Act. On June 12, the President announced proposals to reduce emissions which cause acid rain, urban ozone and toxic air pollution. The proposals, the first major overhaul of the Clean Air Act to be proposed by an Administration in over a decade, calls for a 10 billion ton reduction in SO2 emissions by the year 2000, a 2 million ton reduction in NOx, and a 40 percent reduction in emission of volatile organic compounds which cause urban smog, and a reduction of 75 to 90 percent in air toxic emissions. These reductions will also help to curb any increase in global warming resulting from fossil fuel combustion. The proposal also calls for use of alternative fuels in one million vehicles by 1997. Alternative fuels, while reducing ozone precursors, will also reduce the toxic aromatics which come from conventional gasoline. The President submitted a comprehensive clean air bill to the Congress on July 21 embodying the proposals announced on June 12.

Clean Coal Technologies. The President proposed $710 million in FY 1990 for the Clean Coal Technology Program.

Medical Waste. On March 10, the Department of Justice and EPA implemented a medical waste tracking program to track medical wastes to ensure proper disposal and prevent ocean pollution.

Superfund Cleanup. The President's budget proposed $315 million to pursue an aggressive cleanup schedule of toxic waste sites; the Administration has opposed Congressional efforts to cut the Superfund budget to $150 million. On June 14, EPA Administrator Reilly, following the President's direction, concluded a Management Review of the Superfund Program. The agency has decided to add five hundred people to the enforcement staff to ensure that sites are cleaned up.

National Energy Strategy. The President announced the development of a National Energy Strategy and the Department of Energy is actively working to complete the report sometime in 1990. The strategy will have as one component a plan to reconcile the need for a secure, abundant energy supply with environmental protection.

Global Climate Issues. Through its position as chairman of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC) the U.S. has called for initial discussions potentially leading toward a convention on global climate change. Also, the President proposed an increase in global environmental research for FY 1990 of 43 percent, or over $190 million. In addition, the Clean Air Act initiatives and Clean Coal Technology Program will play a significant role in controlling greenhouse gas emissions. The President called for a world wide phase-out of ozone-depleting chlorofluorocarbons by the year 2000, if safe substitutes are available.

Hazardous Waste Exports. On March 10, the President called for a ban on the export of hazardous waste unless the receiving country agrees to its proper disposal through a bilateral agreement.

Natural Gas Deregulation. On July 26, the President signed into law the Wellhead Decontrol Act of 1989, which ends all remaining price controls on natural gas.

Driftnet Fishing Agreements. The Administration successfully persuaded Japan, Taiwan and Korea to enter into driftnet fishing agreements to monitor driftnet practices and enforce laws prohibiting the take of U.S. origin salmon.

Ban on African Elephant Ivory. On June 5, the Administration announced a ban on the importation of African elephant ivory into the United States.

Offshore Oil Drilling. The President postponed lease sales of offshore oil and gas development in environmentally sensitive areas off the coasts of California and Florida. The President set up a task force to examine the issues and report back to him in January of 1990.

Wetlands. The President has called for a national goal of "no-net-loss" of wetlands. Consistent with that pledge, an interagency task force has been convened and is meeting to develop recommendations to meet that goal.

6/2/89

SEASONALLY ADJUSTED

Year		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
EMPLOYEES IN NONAGRICULTURAL ESTABLISHMENTS BY INDUSTRY, SEASONALLY ADJUSTED, IN THOUSANDS													
						TOTAL							
1980		90,784	90,889	90,970	90,747	90,269	89,931	89,670	89,933	90,058	90,350	90,583	90,81
1981		90,927	90,987	91,085	91,175	91,151	91,328	91,467	91,415	91,354	91,259	91,020	90,75
1982		90,391	90,391	90,264	90,028	90,006	89,769	89,435	89,272	89,122	88,836	88,671	88,64
1983		88,807	88,715	88,919	89,244	89,558	89,970	90,404	90,065	91,214	91,457	91,771	92,13
1984		92,572	93,068	93,355	93,722	94,039	94,432	94,760	94,988	95,302	95,594	95,936	96,07
1985		96,371	96,500	96,852	97,025	97,297	97,422	97,610	97,815	98,013	98,225	98,433	98,62
1986		98,790	98,886	98,970	99,146	99,262	99,152	99,459	99,617	99,935	100,154	100,341	100,57
1987		100,798	101,015	101,254	101,582	101,777	101,956	102,293	102,525	102,683	103,213	103,470	103,79
1988		103,970	104,414	104,682	104,901	105,091	105,561	105,768	105,954	106,207	106,475	106,824	107,09
1989		107,442	107,711	107,888	108,101	108,310	108,607	108,767	108,887	109,088	109,321		
1990													

= 1,084,322

109,321
88,671
20,650,000

20,650,000
248,000
83
increase

5-21-89
C

PRESS CLIPS
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Morning News
Dallas, Texas

MAY 21 1989

WASHINGTON

■ It may not have been the shirt off the president's back, but Sen. **Phil Gramm** did manage to come away with **George Bush**'s necktie the other day. The exchange — the president's striped tie for Sen. Gramm's maroon Texas A&M one — was made aboard Air Force One on its way to College Station, where Mr. Bush delivered this spring's Aggie commencement address. Sen. Gramm, a former Aggie economics professor, also discussed the university's bid for a Bush presidential library. "That would not be a bad trade-off," suggested Rep. **Joe Barton,** R-Ennis, another Aggie aboard aboard Air Force One, "a $60 million-to-$70 million library for a $9 tie." Later, in Fort Worth, the Republican senator auctioned off the presidential neckwear for $1,000 — for the Tarrant County Republican Women's Club. "If I could do that every day," he quipped afterward, "I'd balance the budget."



U.S. SENATOR PHIL GRAMM
370 Russell Senate Office Building
Washington, D.C. 20510

BIOGRAPHY

PHIL GRAMM, of College Station, Texas, is 46 years old. He holds a Ph.D. in economics, a subject he taught for 12 years at Texas A&M University.

The senator was elected to Congress as a Democrat on November 7, 1978, and was re-elected in 1980 and 1982. In 1983, when he was stripped of his House Budget Committee seat in retaliation for co-authoring the Reagan program, he resigned from Congress and won re-election on Lincoln's birthday, February 12, 1983, as the first Republican congressman in the history of the 6th Congressional District of Texas. On November 6, 1984, he was elected to the United States Senate, receiving more votes than any Republican candidate for statewide office in the history of Texas.

Phil Gramm is author of three pieces of landmark economic legislation -- the Gramm-Latta I Budget, the Gramm-Latta II Omnibus Reconciliation Act and the Gramm-Rudman-Hollings balanced budget bill.

The Gramm-Latta budgets reduced federal spending, strengthened national defense, mandated the 1981 tax cut and implemented the Reagan economic program. The Gramm-Rudman-Hollings bill set into place binding constraints on the federal government to balance the budget by Fiscal Year 1993.

Phil serves as a member of the Senate Budget Committee, the Senate Appropriations Committee, and the Senate Banking, Housing and Urban Affairs Committee.

Phil Gramm is the author of several books, including *The Role of Government in a Free Society* (1982) and *The Economics of Mineral Extraction* (1980) and has written extensively in economic journals.

Phil is married to Dr. Wendy Lee Gramm, also an economist, and they have two sons, Marshall, 15, and Jeff, 13. The Gramms are Episcopalians.

all TX Rep Congressional delegation (9)
Congressmen
maybe Gov.
Lee Greenwood
Fred Travolina (MC)
Wendy Gramm

Andy Foster x6510

(Lange/Blessey)
December 1, 1989
12:00 p.m.
[GRAMM.DOC]

PRESIDENTIAL REMARKS: PHIL GRAMM FUNDRAISER
THE ASTRODOME, HOUSTON
THURSDAY, DECEMBER 7, 1989
[7:30 P.M.]

(head table - 100 people)

Thank you, Phil.

((You know, the only thing better than being introduced by Phil Gramm, is having Phil Gramm introduced by Moses. [Charlton Heston introduces ~~POTUS.~~ Gramm.]))

It's nice to be here in this intimate, little setting. I've always wondered if a place this size could hold my charisma...

The Astrodome is often called the "House of Pain." Maybe that's why the other party is rumored to be holding its next convention here.

It's great to be with you, at the Superbowl of political fundraisers -- and to have a chance to say a few words about a very close friend. The best friend Texas ever had. Senator Phil Gramm.

Phil knows that education is the path to a brighter American future. So he co-sponsored our Excellence in Education Act.

He's fought hard to preserve our precious environment -- by supporting our Clean Air Proposal. Here in Texas he's been a leader in the federal and state program to preserve Galveston Bay. He's supported legislation for an international treaty banning offshore dumping in the Gulf. And he's worked to clean up the Rio Grande River.

Phil's also been with us every step of the way in the fight

against drugs. He's helped us craft a National Drug Strategy, to limit supply and shut down demand.

For dealers and other criminals who haven't gotten the message, Phil Gramm is working to convert military bases targeted for closure into federal prison facilities. He's said that if soldiers in World War II could live in tents, he **and** the public can't understand "why federal prisoners can't live in tents now."

When a problem needs attention -- when good policy needs to be created, or bad policy needs to be destroyed -- Phil is always the first out of the blocks. Willing to take political risk for the public good.

There's no better evidence for that, than the story of how Phil got his start as a Republican. In 1983, you know, Phil was a Democratic Congressman. He was justifiably proud of his work on the 1981 budget -- reordering government priorities, rebuilding national defense, and restructuring entitlements.

For that he was stripped of his seat on the House Budget Committee. ((We all make mistakes. Phil's only mistake was running as a Democrat.))

So he resigned from Congress. Won re-election on Lincoln's birthday, as the first Republican Congressman in the history of the 6th District. **We were glad to have him. And America was lucky to get him back.**

Phil went on fighting budget-busting irresponsibility -- by creating landmark budget-balancing legislation. By helping us fend off tax increases. And by setting into motion the kind of

incentives that continue to create over 200,000 new jobs a month -- every month -- for the last 84 months of this record-breaking economic expansion. **Phil Gramm understands prosperity. He creates it -- every day he's working in the U.S. Senate.**

((You know, Senator Gramm takes a lot of ribbing that his wife Wendy -- also a Ph.D. economist -- is smarter than he is. I can sympathize with Phil. They say he married above himself. All men do. \\

But you know, this man is very smart. Last Spring, when I was flying with Phil on Air Force One -- on my way to giving the Aggie commencement address -- he offered to trade his A & M tie for my ordinary striped one.

I thought that was a pretty shrewd trade on my part. Until later, when I found out Phil went off to the Tarrant County Republican Women's Club -- and auctioned off my tie. For a thousand dollars. With that kind of savvy in Washington, there's no doubt we'll balance the budget.))

((Just the other night, I was reading a Christmas story to a couple of grandkids -- and when they asked me who the Three Wise Men were, I said "Gramm, Rudman, and Hollings."))

Thanks to that landmark legislation, in three of the last four years, government has actually gotten **smaller** compared to the private sector of the economy -- and the deficit has been cut roughly in half.

((So we need Phil Gramm's talents on Capitol Hill. Let others try to invite Charlton Heston to Washington, to see if he'll part

the red ink.))

You know, there's a story that Phil's half-brother tells, that when Phil was a boy, he started a neighborhood army of half a dozen kids. One day, the smallest of the group, five-year-old Henry Sheridan, ran crying to Mrs. Gramm. All of the other boys were Corporals or Captains -- and they'd say, "Private Sheridan, go climb that tree." Or, "Private Sheridan, go get us some cookies."

Well, Phil's mother called in Colonel Gramm and told him he must remedy the situation immediately. Phil said, "Yes, Ma'am," turned around, promoted Henry Sheridan to 2nd Lieutenant, and promoted himself to Major General.

Phil's a man who understands power and how to use it. But even more important, Phil Gramm knows how to empower other Americans. **All** Americans.

"The largest beneficiary of a program for economic freedom," he said recently, "is not the person who already has a piece of the pie. It's the person who wants the opportunity to get one."

I need -- Texas demands -- and America deserves Phil Gramm's bold, decisive leadership to make the right things happen on Capitol Hill. With your support, I have no doubt we're looking at another successful term for Phil Gramm.

Thank you. God bless you. And God bless the great state of Texas.

# # #

Accomplishments

Morning Times
Laredo, Texas

FEB 18 1988

Mr. South Texas

Prestigious award honors leaders who have consistently demonstrated their devotion to the people of South Texas

By ODIE ARAMBULA
Times editor

When the George Washington's Birthday Celebration Association, through its president, presents the "Mr. South Texas" award to Phil Gramm, the 1988 honoree will be the third U. S. senator from Texas to receive it.

The junior senator from Texas follows in the style of the Republican he succeeded to the U. S. Senate, John Tower, who was honored in 1983, and the senior Democratic senator from Texas, Lloyd M. Bentsen Jr., the 1971 honoree.

Gramm is the 36th recipient of the coveted award, a program started in 1952 during the WBCA presidency of Radcliffe Killam. The first recipient of the "Mr. South Texas" plaque was Frank C. Huntress, San Antonio newspaper publisher. Last year's award went to San Antonio Mayor Henry Cisneros.

Blas Martinez, president of th 91st celebration, said Sen. Gramm is being honored for "distinguished and valuable contributions to continued development of South Texas through his personal achievements and tireless energeies in the fields of higher education, economic development, international trade and improved public health services."

Gramm is no stranger to Laredo, initially having come to the border to speak to the Rotary Club on economics while he was a professor of economics at Texas A&M University. He made subsequent visits to Laredo through the years, including in the role of a Congressman from East Texas. Gramm was elected as a Democrat in 1978 and later shifted political affiliation. He was elected to the U. S. Senate as a Republican in 1984.

Born and educated in Georgia (Fort Benning, 1942), Gramm came to Texas as a college professor.

The meetings in Washington and Mexico City, and others on the border, resulted in more regular communication, cooperation and coordination betwene the two governmental agencies at local, district and regional levels.

Gramm was instrumental in gaining and expeding governmental approval on the expansion of the U. S. Import Lot at Laredo.

Last year, the senator persuaded the Department of Labor to purchase the Laredo facility where the Job Corps Center is house, insuring that it would stay in Laredo when it appeared it would be moved or closed.



SEN. PHIL GRAMM...
...Mr. South Texas for 1988.

More recently, Gramm was instrumental in securing Home Port for Corpus Christi, which will produce more than one quarter of a billion dollars and 600 jobs to South Texas.

Gramm is the first senator in the history of the state to locate an office in South Texas (Harlingen) and on the border (El Paso). In his first 35 months in office, he visited Laredo seven times.

His Texas colleagues in Congress view Gramm as one who understands that "South Texas is a unique area, affected by factgors which are different than those in other parts of the state."

"Accordingly, he has invested considerable time, energy and resources to better understand and serve this area."

Gramm can related to South Texas in the areas of legislative, administrative and communications. For instance, he introduced the Rio Grande Clean Waters Act of 1987, which addresses the growing problem of untreated sewage pollution in the Rio Grande. He introduced legislation to amend the Motor Carrier Safety Act of 1984, which would prohibit all commercial vehciles, incluidng mquiladoras, from entering the U. S.

Gramm said the result was not the original intent of the Motor Carrier Act of 1984, but is an unintended side effect which could happen at the discretion of bureaucrats in Washington.

Gramm also co-sponsored legislation, passed in 1987 in the Senate, which would lift FAA imposed restricitons concerning the fair market value and use and development of land.

Two years ago, Gramm was instrumental in starting a series of meetings bvetween local leaders, U. .S. Customs and Immigration officials which resulted in increased dcommunications, cooperation and coordination among the agencies. The purpose was to address the problem of traffic congestion and long traffic dealys on the international bridges and to make maximum use of U. S. government resources and personnel to help alleviate the situation.

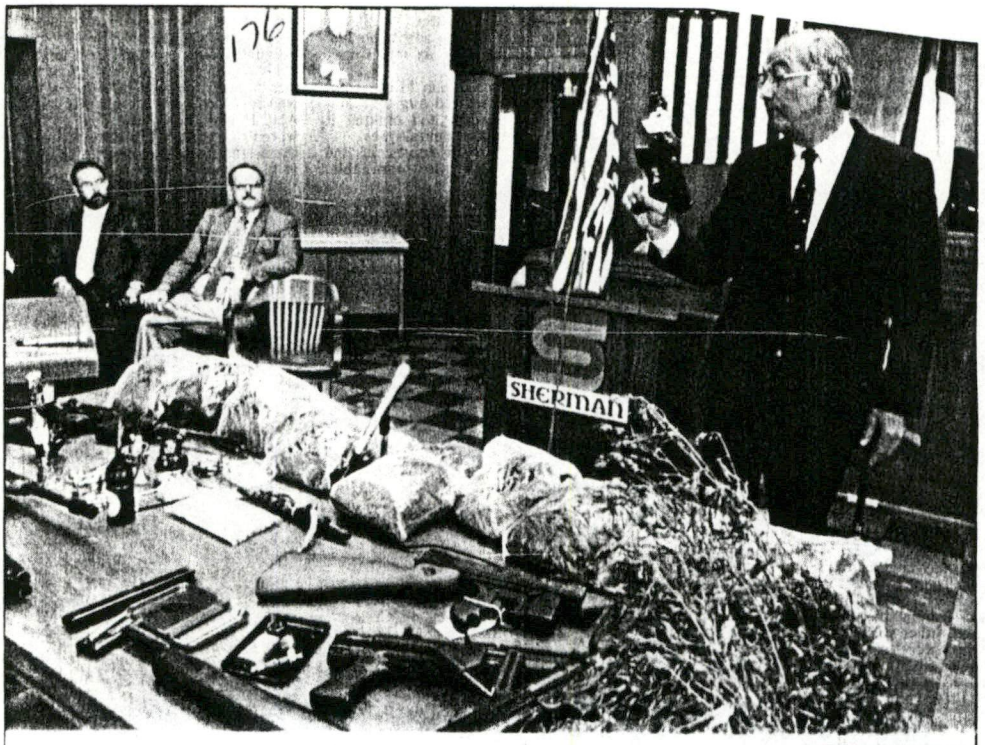


MAYOR HENRY CISNEROS...

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Democrat
Sherman, Texas

AUG 2 3 19



Staff photo by Don Alquist

U.S. Sen. Phil Gramm holds up an automatic weapon confiscated in a drug bust during his appearance Tuesday in the Grayson County Courthouse. Looking on are Dusty Hunt (right) and Tommy Rains.

Gramm brings tough talk about drugs to Grayson

by SANDY YOUNG
Sherman Democrat staff writer

Advocating mandatory prison sentences without parole for drug dealers, U.S. Sen. Phil Gramm visited Sherman Tuesday to discuss the nation's drug epidemic.

"There was a day when you moved to Sherman or Denison to get away from these problems," Gramm said at the Grayson County Courthouse.

Pointing to a table crowded with confiscated narcotics, drug paraphernalia and illegal weapons, Gramm said, "All you have to do is look at this stuff up here to see that this is a local problem."

Gramm met with law enforcement officials Monday in Dallas to discuss the drug problem there. On Tuesday, he listened as representatives of the Grayson County Sheriff's Department, Sherman and Denison Police Departments, Texas Department of Public Safety and Sherman Against Drugs described their growing drug problem.

"The drug problem struck Grayson County with a vengeance," said Chief Deputy Dusty Hunt of the Grayson County Sheriff's Department. "Drugs are affecting every segment (of society)."

Hunt said drug manufacturers have sought refuge in the county's rural areas to operate clandestine drug labs.

He urged Gramm to support federal funding so efforts to combat drugs can continue.

"More money is needed so that the war on drugs in Grayson County doesn't become a losing battle," he said.

David Eldredge of the Department of Public Safety agreed with Hunt that drug manufacturing is the biggest drug problem facing the North Texas area.

Eldredge said anyone can purchase the chemicals needed to produce methamphetamine. He added manufacturers can turn a $2,000 investment into a $30,000 business.

"It's a homegrown problem," Eldredge said. He said California and Texas are the leading states in the production of this drug. He added that North Texas, which includes the Dallas/Fort Worth metroplex, is the "speed capital of Texas."

Eldredge asked Gramm to support a new law which would require a 21-day waiting period for persons attempting to purchase chemicals used in making methamphetamine. The waiting period would allow authorities to investigate the reasons for the purchase.

Prison overcrowding is adding to the drug problem, according to Eldredge. He said a person convicted of a drug crime and sentenced to 10 years probably will serve only one year. He said many drug felons are paroled before being transferred from county jails to the Texas Department of Corrections.

Sgt. Tommy Rains of the Sherman Police Department said drug dealers realize they will probably serve minimal time in jail if they are convicted.

Rains said officers are often unable to arrest suspected drug felons because prison overcrowding has spread to the local level. He said narcotics officers here recently completed a major drug investigation and are "sitting on 20 felony warrants" because the county and city jails are full.

Since January, Sherman police have handled more than 300 drug cases, according to Rains. The department handled 178 drug cases in all of 1988.

"Everyone is going to have to band together, if we expect to make this a drug-free city," Rains said.

Denison Police Chief Clyde Nave said his city also is infested with drugs. He thanked Gramm for his interest in dealing with the problem in this area.

After hearing from law enforcement representatives, Gramm said it is the law enforcement officers who are the "real heroes in this effort."

As for early parole and prison overcrowding, Gramm said something has to be done about the "revolving door prison policy" and federal judges who rule that prison overcrowding violates the rights of criminals.

Gramm said it is time to solve the problem of "crime without punishment." He said he wants stiff mandatory sentences without parole for felony drug crimes and violent crimes.

"I want 10 years in prison without parole for anyone who sells drugs to a minor," he said.

The senator also advocated life sentences for criminals convicted for a third time of violent crimes or felony drug crimes.

"We don't have a prison that's as crowded as our least crowded nuclear submarine," Gramm said. Closed military bases should be used to temporarily house prisoners, he said. He suggested the National Guard and the military could guard these prison facilities.

(Please see GRAMM, Page A2)

Gramm wants stiffer drug sentences

(Continued from Page A1)

President George Bush has asked for 28,000 new beds for the federal prison system, and Gramm said he wants state prisoners boarded at federal prisons. This would relieve some of the overcrowding at state prisons, he said.

The senator disclosed that a new sub-machine gun has been designed for use by the Drug Enforcement Agency (DEA). He said law officers are battling "drug thugs" who have more sophisticated weapons.

"It's a sad state of affairs when we have to have sub-machine guns for law enforcement," he said.

Saying "no law on earth" will stop drug dealers from possessing illegal weapons, Gramm said stiffer penalties are needed.

Gramm said he favors 10-year prison terms for persons in possession of a weapon during a felony drug crime or violent crime. He supports 20-year terms for persons discharging a firearm during the commission of a felony. And he wants the death penalty assessed against anyone who kills a person during a felony.

"Congress has been very, very slow in coming to grips with the drug problem," Gramm said. He explained that funds awarded to the DEA, FBI, U.S. Border Patrol and Immigration and Naturalization Service have been far less than the total requested by then President Ronald Reagan.

Gramm said funds diverted from these agencies were used to pay for other projects.

"In my mind, no problem is more important (than the war on drugs)," he said.

Educating people on the dangers of drugs is another solution to the problem, according to Gramm. He said more money will be used for this purpose than ever before.

Gramm said he'd like to see convicted drug users visit classrooms to warn students against using drugs. He also supports "pep rallies" to encourage second- and third-graders to become "drug busters."

The senator said it is time society realized that rehabilitation is not working. He blamed part of its failure on the parole system.

"You can't rehabilitate someone if you've got them in jail two or three months," he said.

Gramm said he also favors expansion of the asset seizure program — where assets of criminals can be seized during drug arrests. "We're going to take some of the incentive away," he said.

One of the keys to eliminating the drug problem is to penalize users as well as dealers, according to Gramm. He said the quicker the public can get users to stop taking drugs, the quicker the "drug thugs" will stop selling.

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Press-Reporter
Lamesa, Texas

MAY 24 1989

In battle against drugs

Gramm seeks students' help

Student leaders in Lamesa and Klondike high schools were personally encouraged by U.S. Senator Phil Gramm here Monday morning to serve as positive role models in fighting drugs and alcohol.

"Whether you realize it or not, whether you want to be or not, you are a role model," Gramm told the group of some 30 class officers, honor students, cheerleaders and other student representatives.

"The star athlete at Lamesa High school -- or the cheerleader or student council representative -- has more influence than the President of the United States on this issue," Gramm said about the student leaders' ability to influence their peers against drug use.

Backing up the importance of students using their influence against drugs, Gramm said a survey by the "Weekly Reader" publication for young students revealed that the major reason students in elementaries and junior highs begin using drugs is to "fit in."

"I want to ask you to be a leader by being an example to help other students say no to drugs," Gramm told the students.

"If you've never used drugs, don't -- it's not smart, it's stupid!" Gramm said. "If you have used drugs, don't do it again!"

Encouraging the students not only to avoid drug use themselves but also not to associate with those who do use drugs, Gramm said, "When we reach the point in our junior high schools and in our high schools where drugs are not accepted, that's when we're going

GRAMM----------P.2



SENATOR VISITS STUDENTS -- U.S. Senator Phil Gramm shakes hands with a group of Lamesa High School and Klondike High School students here Monday morning before addressing the students and encouraging them to use their leadership roles to discourage other students to avoid using drugs. Gramm also discussed new anti-drug legislation. (Photo by Russel Skiles)

●GRAMM

to change things for the better in our war against drugs."

Emphasizing the effect that even experimental drug use can have on a person's life, Gramm cited the case of Douglas Ginsburg, who asked that his nomination to the Supreme Court be withdrawn after it was learned that he had used marijuana in college.

"Although Ginsburg did not suffer the long term physical effects of drug addition, the former Supreme Court nominee's mere experimentation with drugs came back to haunt him," Gramm said. "That called into question his judgement. Not only had he violated the law, but he had shown poor judgement. Doug Ginsburg was a role model, whether he wanted to be or not."

Gramm discussed a proposed drug-free school program which will require schools to have a program of "zero tolerance" of drug abuse in order to receive federal funds for drug prevention. "If schools are not going to set that standard they don't deserve the money," Gramm said.

"The basic objective is to try to get drugs out of our schools," Gramm said of that program. In addition to requiring schools to have effective policies against drug possession and use, Gramm said the program would also provide funding for schools to inform teachers how to recognize signs and profiles of drug abusers, to hire counselors, and to teach students not to use drugs. He said the program would also serve to recognize schools which have good anti-drug programs.

The senator also reviewed an anti-drug crime package which he said includes a 10-year sentence without parole in federal prison for anyone convicted of selling drugs to a minor. A minor selling drugs to another minor would be treated as an adult upon second conviction for that offense, he added.

Responding to a student question about such mandatory sentences in light of the state and nation's current prison overcrowding situation, Gramm said the federal prison system is making room for 27,000 more prison beds and that the overall number of state and federal prison beds will double during the next decade.

Gramm decried as "crime without punishment" the current situation in which Texas felons sentenced to 10 years in state prison are serving about 11 months before being released on parole.

He said something needs to be done about judicially-mandated caps on prison populations which make prisons less crowded than our military submarines. He also argued for the repeal of restrictions against requiring prisoners to work.

The senator said he is against legalization of drugs, claiming that would only worsen the problem. He said it is the user buying the drugs, and not the big suppliers, that are the real kingpins in the overall drug situation.

"We have to eliminate the demand for drugs through education and we have to eliminate the supply of drugs through law enforcement," Gramm said.

"This is a big problem but the solution starts right here with Lamesa High School and Klondike High School."

drugs
Balloon

2 AP 09-16-89 15:23 EDT 56 LINES
AM-Aerostat Launching, Texas Bjt,500<
Fourth Aerostat Launched in West Texas<
LaserPhoto<
By SUZANNE GAMBOA=
Associated Press Writer=

MARFA, Texas (AP) The war on drugs in West Texas escalated Saturday as officials launched the Southwest's fourth radar-equipped helium balloon to track drug-smuggling aircraft.

``The goal today in deploying this balloon is we're telling them (drug smugglers) we are shutting down your activity,'' said Sen. Phil Gramm, R-Texas.

The 240-foot balloon was deployed about 60 miles from the Texas-Mexico border and will have a range of about 200 miles.

It overlooks an area of far West Texas that is a notorious drug-smuggling corridor.

``Today we're taking another step, not the only step, not the final step, but one of the first concrete steps to solving this problem,'' Gramm said at the outdoor dedication ceremony.

A crowd of about 1,500 applauded loudly as the blimp was launched in the sparsely populated area.

The 24-hour surveillance device is equipped with radar capable of spotting and tracking low-flying airplanes.

A ground station collects information from the white Kevlar blimp and relays it to March Air Force Base in Riverside, Calif. The information is shared with law enforcement officials who attempt to intercept the illegal aircraft.

Rep. Lamar Smith, R-Texas, told the crowd to consider the balloon a ``100-yard sign, three miles high that says to drug smugglers, `No Trespassing.' ''

The blimp is the fourth to be launched in the Southwest by the federal government . Aerostats also have been launched at Fort Huachuca and Yuma, Ariz., and Deming, N.M.

Two more of the tethered balloons are planned for Texas. A balloon in Eagle Pass should be launched early next year and a third is planned for Rio Grande City.

Smith said two aerostats operating in Florida have reduced drug flights by 40 percent. He said the aerostats in Arizona and New Mexico also have shown reductions in illegal flights.

But in a report to a Senate subcommittee in June, the General Accounting Office questioned the effectiveness of the balloons. The report said the aerostats have difficulty in detecting low-flying aircraft and often have to be flown back to their bases during adverse weather and for routine maintenance.

Operations are based on 23 acres of leased land that was used in the filming of the movie ``Giant.''

Presidio County's proximity to the border and its vast open spaces make it a popular corridor for drug smugglers.

``We have kids that have cars and the drug smugglers will ask them to take drugs across the border,'' said April Campbell, 15, a member of the Marfa High School Band, which played at the dedication.

She said low-flying aircraft are always visible on the drive from Marfa to Alpine on U.S. Highway 90.

``With the balloon there will be a little more pressure on them. They'll be worried about (getting caught),'' she said.

taxes

5 AP 10-12-88 10:03 EDT 63 LINES
PM-Diesel Taxes, 1st Ld-Writethru,550<
Senate Rolls Back Diesel Tax Payments For Farmers, Shrimpers, Oilmen<
Eds: Recasts lead, makes other editing changes thruout; no pickup<
jderjj2<
By JENNIFER DIXON=
Associated Press Writer=

WASHINGTON (AP) The Senate has repealed a controversial law that required farmers and other off-road diesel users to pay a per-gallon tax at the pump and then apply for a refund at the end of the year, creating what Sen. Phil Gramm called a °°bureaucratic nightmare.''

The law was included in the final budget bill passed by Congress last year, but Gramm spokesman Larry Neal says the origin of the provision is °°very, very shadowy'' and no one has owned up to being its sponsor.

°°Whoever cooked up this bureaucratic nightmare inadvertently targeted some of the most hard-pressed people in Texas to impose it on: farmers, oil operators and fishermen,'' said Gramm, R-Texas. °°I'm glad, however, that a measure of common sense has now prevailed,''

The repeal was included in a bill making technical corrections to the tax code, and passed the Senate Tuesday night by a vote of 87-1. The House has approved a similar technical tax corrections bill, and now the measures go to a conference committee where differences will be worked out before final congressional passage.

The bill being rolled back required farmers, commercial fishermen, oil producers and other off-road diesel users to pay a 15.14-cent per gallon tax at the pump and then apply for a refund at the end of the year.

Backers of the repeal said the law hit farmers especially hard because they had to pay the tax when they need cash most during the planting or harvesting seasions, creating a cash crunch for many.

The law also put a paperwork burden on the off-road users, requiring them to keep logs of their diesel fuel use that were to be filed with their tax returns.

Prior to the law's enactment, off-road diesel fuel users were exempted from paying taxes on the gas and bought it at the pump tax-free.

The repeal calls for the government to reimburse off-road diesel users for the taxes already paid since April, when it took effect, and add about 11 percent interest, said Sen. Lloyd Bentsen, the bill's Senate sponsor.

← watching out for hard working Texans: farmers fishermen, oil producers, construction workers

According to figures from Gramm's office, Texas farmers would have paid $31 million a year in diesel taxes, while the annual cost to shrimpers and other commercial fishermen was $14 million and to oil field workers, $25 million.

°°Reinstating the tax exemption is good news for so many farmers who have already been hit hard by the drought. Shrimpers and construction workers will also benefit from the bill,'' said Rep. Solomon Ortiz, a Corpus Christi Democrat.

Bentsen said the repeal will funnel $447 million to users over the next three years $317 million in 1989, $64 million in 1990 and $66 million in 1991.

°°Late last year, the government made a mistake when it changed the collection point of the diesel fuel tax. ... The result was an unnecessary burden on farmers, fishermen, drillers and others whose equipment used diesel fuel, but which they operated away from highways,'' Bentsen said.

taxes

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Morning News
Dallas, Texas

MAR 28 1988

Argument for off-road diesel users not to pay taxes

Uncle Sam ripping off diesel users



PHIL GRAMM

Would you like to pay a bill even though you didn't owe it? That's what Uncle Sam wants thousands of Americans in the farming, fishing, oil and construction industries to do.

Congress passed legislation in December to collect a 15.1-cent-per-gallon federal excise tax from off-road diesel fuel users — even though these users don't owe the tax. The change was part of that massive Budget Reconciliation Act Congress passed in the final hours just before it adjourned last year.

Under the old system, anyone who used diesel fuel for off-road purposes was exempt from paying the tax. This was because the money goes to the Highway Trust Fund, which pays for road construction. Obviously, off-road users shouldn't have to pay for road repairs if their fuel consumption — in boats, generators, tractors, pumps — doesn't tear up the highways. In order to get the exemption, a customer needed simply to certify to the retailer at the pump that the fuel was to be used for off-road purposes.

Starting April 1, though, the retailer will be taken out of the loop. Wholesalers will automatically pass along the 15-cent tax. Everyone will have to pay the tax at the pump, and those who are exempt will have to keep records and file forms to get their money back from Washington.

As a result, the Internal Revenue Service will collect hundreds of millions of dollars in off-road users' money, which it will hold until the rightful owners apply for a refund. Meanwhile, the federal government gets what is in effect an interest-free loan.

The loss of this money by the people who do the work and pay the taxes will hit broad segments of our state and the nation. Farmers will be forced to hand over $426 million a year nationwide. Diesel fuel users on waterways — tugboat, barge and towboat operators — will have $240 million of their money tied up by Uncle Sam. Texas shrimpers alone would have $14.4 million withheld. The oil industry, which operates diesel-fueled drilling, well servicing and work-over rigs, will see $75 million of its money held by the federal government until it can be recovered.

Countless other off-road users will be similarly affected. And all of this doesn't even count the record-keeping costs of forcing taxpayers to reclaim money the government didn't have the right to in the first place.

I have introduced legislation to immediately repeal this unfair tax collection scheme. The bill already has 35 Senate co-sponsors. The Senate Finance Committee recently took action on the issue as well. The good news is that the committee agreed to a bill to solve some of the problems with this tax plan. The bad news is that the bill still will let Uncle Sam collect off-road diesel fuel taxes from April 1 to Oct. 1, meaning that taxpayers will still end up paying an unnecessary tax for six months and then lose the use of that money until they get their tax refunds in 1989. They will also have to bear a needless record-keeping burden.

People shouldn't have to pay taxes they don't owe. It is a question of fairness and common sense that shouldn't wait until October for a resolution. Imagine government fixing something before people realize it's broken. The time to repeal this senseless plan is now.

Phil Gramm, a Republican, is a U.S. senator from Texas.

drought relief
at volunteerism

Hay heading south

First of 700 tons of donated forage sent to Texas areas hit by drought

By Kelley Shannon
Associated Press

SAN ANTONIO — The first of 700 tons of East Texas hay was heading toward drought-plagued South Texas on Wednesday in a statewide volunteer effort to help troubled cattle ranchers, officials said.

"This is a volunteer effort involving the Farm Bureau and private railroads working together, neighbor helping neighbor, in the best spirit of American volunteerism," said U.S. Sen. Phil Gramm, who helped the Texas Farm Bureau coordinate the transportation.

"This is the hayseed part of the president's thousand points of light," said the Texas Republican.

Union Pacific Railroad donated 10 rail cars and Southern Pacific Railroad offered 30 cars for the project that will assist ranchers in Live Oak, Uvalde, Karnes and Bee counties.

The first hay shipment — five carloads hauling about 85 tons — was to arrive in George West in Live Oak County on Wednesday evening for distribution Thursday.

About 220 Live Oak County ranchers, representing slightly more than 10,000 head of cattle, had applied for hay through the program, County Extension Agent Joe Taylor said Wednesday.

"They're just trying to hang on

Please see DONATED on Page 36A.

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Morning News
Dallas, Texas
SEP 21 1989

Donated East Texas hay heading south

Continued from Page 31A.

to what we refer to as a foundation herd," he said. "They just want to keep those ol' good cows that produce a calf every year."

Severe drought conditions have caused some ranchers to reduce their herds by 50 percent, with some ranchers cutting back by 80 percent, he said.

Some livestock producers have moved cattle to other areas of the state where grass is available for grazing.

"Folks loaded up their entire herds and went to grass pastures," Mr. Taylor said. "It's been pretty serious. It's been two years of this."

The drought in Live Oak County began in June 1987, and the area is 50 percent below its normal rainfall the past two years.

> 'This is a volunteer effort involving the Farm Bureau and private railroads working together, neighbor helping neighbor, in the best spirit of American volunteerism."
>
> — Sen. Phil Gramm

The hay relief probably most will help small ranchers postpone decisions for three or four weeks on what to do next with their livestock, Mr. Taylor said.

Mr. Gramm said shipment of the entire 700 tons of hay to the four counties involved would take about week.

While agriculture officials say even green East Texas is browning fast, hay is available in excess there. Members of the youth group Future Farmers of America have volunteered to load the hay in Longview.

Mr. Taylor said ranchers who have applied for hay are appreciative of the help and tell stories of tough ranching times in the area.

Although some may believe the hay is coming through a government program, he said there is no formal application process for the assistance.

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2ND STORY of Level 2 printed in FULL format.

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December 2, 1989, Saturday, Home Edition

SECTION: Part A; Page 30; Column 2; National Desk

LENGTH: 673 words

HEADLINE: ECONOMIC SUMMIT NEWS IS GUSHER FOR HOUSTON

BYLINE: By J. MICHAEL KENNEDY, TIMES STAFF WRITER

DATELINE: HOUSTON

BODY:

City Hall is positively gushing at the news.

For days now, Houston officials have been sitting on the edge of their collective seat, waiting for word of whether the 1990 economic summit would be coming here. On Friday, the official word came from Malta, where President Bush is at another summit with Soviet President Mikhail S. Gorbachev -- Houston would be the place.

The official crowd went wild.

"Everyone in the world will know about Houston, Tex.," said Brian Levinson, a spokesman for the Houston Economic Development Council.

At a Friday morning press conference, George Strake, a former Texas Republican Party chairman who has been designated to head the Houston Summit Team, likened the 1990 meeting to the 1928 Democratic Convention that was held here and the opening of the Johnson Space Center.

Television crews were out in shopping malls on Thursday night, asking people what they thought of the possibility of Houston getting the summit, only to be greeted in large measure by blank stares.

The Houston Post, in its Friday edition, somehow extrapolated that if there were 5,000 reporters at last year's summit in Paris, there could be as many as 7,000 coming to Houston. A television news director was quoted as saying that the event would be "pack journalism at its best."

Clearly, this is a city in need of good news. There hasn't been much of it lately and Houstonians are not above taking a bone and treating it like filet mignon.

Houston came close but lost out on bids for both the Democratic and Republican conventions. None of its sports teams have ever won it all. Its economy, although making a slow comeback, has been in trouble since the oil bust hit in the early '80s.

The July gathering of industrialized nations is seen by leaders here as a way of showing that Houston, which went from boom town to doom town, is on the way back.

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(c) 1989 Los Angeles Times, December 2, 1989

"This city wants some kind of visible manifestation of its recovery," said political scientist Richard Murray. " Houston has long wanted to be in the big time -- the biggest city in Texas, the biggest in the South, now a world-class city. It's a way of validating your status."

While Houston officialdom is painting the summit as the "crown jewel of the recovery," it might turn out to be something less than that -- like a pain for the people who live here.

The 1988 summit was held in Toronto, and John Hamilton of the convention bureau there said that while the summit garnered a certain amount of world press, there were difficulties.

"From a citizen's standpoint there was a general consensus that it was a big pain," said Hamilton. "It just caused problems with the transit system, automobile traffic and foot traffic.

"It probably didn't generate as much business as some of our larger conventions," he said. "Summiters don't go out and shop."

The social agenda for the Western World leaders and their staffs is still indefinite, but it is fairly certain there will not be a great deal of outdoor activity because July is one of the hottest and steamiest months of the year here. Where there was pomp and ceremony at the last American summit in Williamsburg, Va., in 1983, there is talk of a barbecue or a rodeo here. The Houston Medical Center, the Astrodome and the Johnson Space Center will be touted as the top tourist attractions.

The centerpiece for the summit will be Rice University, selected by the White House for its leafy European ambience. Bush was once a visiting professor there and it also has a place in the family history of Secretary of State James A. Baker III.

Rice's founder, William Marsh Rice, bequeathed a portion of his fortune to establish a technical school. Rice was murdered, and one of the men who killed him forged a new will that made no mention of the school endowment.

Rice's lawyer was James Addison Baker, the secretary of state's grandfather. He exposed the fraud and saved the endowment for what is now Rice University, where for many years any student accepted there was given a full, four-year scholarship.

SUBJECT: SUMMIT CONFERENCES; HOUSTON (TX) -- ECONOMY; RICE UNIVERSITY; BAKER, JAMES A III; EUROPEAN ECONOMIC SUMMIT CONFERENCE

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Daily Report for Executives

December 4, 1989, Monday

SECTION: REGULATION, ECONOMICS AND LAW; DER No. 231

LENGTH: 175 words

HEADLINE: International Trade, BUSH DESIGNATES HOUSTON AS SITE FOR G-7 ECONOMIC SUMMIT IN JULY

BODY:

President Bush Dec. 1 announced that Houston, Texas, will be site of the 1990 economic summit of the seven major industrialized nations.

The economic summit will held June 9-11. The responsibility for hosting the meetings rotates among the participating countries, and Bush's preference for holding the meeting in Houston had been widely rumored.

The president designated former aide Frederic V. Malek as director of the summit, with the personal rank of ambassador. Malek will oversee preparations for the staging of the meeting, according to the White House announcement. Malek's position does not require Senate confirmation.

For preparation of policy aspects of the summit, the president designated Richard T. McCormick, under secretary of state for economic and agricultural affairs. McCormick played the same role in this year's summit held in Paris.

Participating in the summit will be Canada, West Germany, France, Italy, Japan, the United Kingdom, the United States, and the Commission of the European Countries.

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The Associated Press

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December 1, 1989, Friday, PM cycle

SECTION: Business News

LENGTH: 339 words

HEADLINE: President Said to Pick Houston

BYLINE: By RITA BEAMISH, Associated Press Writer

DATELINE: WASHINGTON

KEYWORD: Economic Summit

BODY:

President Bush is expected to name Houston as the site for the annual economic summit of the world's leading industrial democracies next July 7-9, an administration official said.

The decision to hold the seven-nation meeting in Houston was likely but was not made official because final details were being worked out. But barring unforseen developments, plans were going ahead for the Texas city, said the source, who spoke Thursday on condition of anonymity.

Rep. Jack Fields, R-Texas, whose district includes Houston, said later the White House told him the summit would be held in his city.

Bush has publicly indicated he wanted the summit to be in his adoptive home state of Texas. He said recently the contest was between Houston and San Antonio.

The annual meeting, held last summer in Paris, is attended by heads of state from Great Britain, Canada, France, Italy, Japan, West Germany and the United States. The location for the summit is rotated among the participating nations. This year is the United States' turn.

The conference is a forum for the nations to discuss a wide range of economic, trade and political issues.

Bush's apparent decision to pick Houston over San Antonio was first reported Thursday in The Dallas Morning News and the Houston Chronicle.

The newspapers said Bush is expected to announce his decision Friday in Malta before his superpower summit with Soviet President Mikhail Gorbachev.

Sources have said he will assign Fred Malek, a top campaign adviser to Bush last year and his convention manager at the 1988 Republican National Convention, as executive director of the summit.

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Formal summit sessions would be held at Rice University, administration sources have said.

The newspapers said the final details in making the Houston site official hinged on one aspect of the city's bid, apparently having to do with hotel rates.

After Houston adjusted its hotel package, the average rate for all hotel rooms offered for the summit was said to be $$68, as opposed to $$69 in San Antonio.

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THE WHITE HOUSE

Office of the Press Secretary
(Valletta, Malta)

For Immediate Release December 1, 1989

STATEMENT BY THE PRESS SECRETARY

President Bush will host the 1990 Summit of the seven major industrialized nations July 9-11, 1990, in Houston, Texas.

The Economic Summit is the sole forum for the leaders of the world's largest industrial democracies to discuss economic issues and review other key international issues.

Participating in the Houston Economic Summit will be Canada, the Federal Republic of Germany, France, Italy, Japan, the United Kingdom, the United States, and the Commission of the European Communities.

The President has designated Frederic V. Malek to serve as Director of the Summit, with the personal rank of Ambassador. In that capacity he will oversee preparations for and staging of the meeting. Mr. Malek is currently President of Northwest Airlines and Co-Chairman of Coldwell Banker Commercial Group.

The President has also designated Richard T. McCormack, Under Secretary of State for Economic and Agricultural Affairs, as his Personal Representative ("Sherpa") for preparation of policy aspects of the Economic Summit. Mr. McCormack served in a similar capacity during this year's Summit in Paris.

# # #

11/27/89 Gramm

Jeb Hensarling (214) 767-3000

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F. Senator Hugh Parmer -- opponent

Super ~~conducting~~ super collider
-- will it be built in TX
-- will Congress provide enough money

NASA

Energy

Economic Summit - where will it be in TX

Drugs - designation of SW border as high intensity drug trafficking zone
will be announced next yr.

can be → meaningful
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Rural Health Care

Galveston Bay Estuary
Marine Pollution
treaty annex 5

Environment → forefront of trying to clean up Rio Grande ↑ designing sewage treatment

Gromm convinced POTUS to trade
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Fall 1989 Number 50 $4.50

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Jeane J. Kirkpatrick, Fred C. Ikle, Paul M. Weyrich, William F. Buckley Jr., Angelo Codevilla, Jack Wheeler, Alain Besancon

The Genius of Ordinary People

Senator Phil Gramm on Conservatism's Winning Ideas

An Interview by Adam Meyerson

Phil Gramm, of College Station, Texas, was elected to Congress as a Democrat in 1978, and was reelected in 1980 and 1982. In 1983, when he was stripped of his House Budget Committee seat because of his leadership in pushing through President Reagan's 1981 budget and tax legislation, he resigned from Congress and won reelection as the first Republican congressman in the history of the 6th Congressional District of Texas. In 1984, he was elected to the United States Senate, receiving more votes than any Republican candidate for statewide office in the history of Texas.

Senator Gramm is co-author of three pieces of landmark economic legislation—the Gramm-Latta I Budget and Gramm-Latta II Omnibus Reconciliation Acts of 1981, and the Gramm-Rudman-Hollings Balanced Budget Bill of 1985.

The Gramm-Latta budgets reduced the growth of federal spending, strengthened national defense, and enacted the 1981 tax cut. The Gramm-Rudman-Hollings bill set into place binding constraints on the federal government to balance the budget by fiscal year 1993.

A professor of economics for 12 years at Texas A&M University, Senator Gramm is one of several former professors whose intellectual firepower, combined with a strategic understanding of practical politics, has invigorated the conservative movement. Others include John Sununu, William J. Bennett, Newt Gingrich, Jeane Kirkpatrick, and Representative Dick Armey—also a former Texas A&M economics professor.

Senator Gramm was interviewed in July 1989 by *Policy Review* editor Adam Meyerson.

***Policy Review*: It's now a little more than 10 years since you first took a seat in the House of Representatives—as a Democrat. What are the most important ideological and institutional changes in American politics since you took elective office?**

Senator Phil Gramm: Well, obviously, the most important event since I took office in January 1979 was the election of Ronald Reagan as president. I vividly remember listening to Reagan say things at his first inaugural that I had believed all my life, and realizing that now we had a president who thought exactly as I did on virtually every major issue facing the country.

Ronald Reagan created a new conservative majority in America. He did this by defining the central political issue of our times as the choice between more opportunity and more government. For 30 years there was only one idea in Washington and the Democrats had it. That idea was the expansion of government as the solution to every problem. Conservatives attacked big government and the American people knew something was wrong with it. But you can't kill an idea with criticism or counter-evidence; only an idea can kill an idea. The Reagan alternative was more freedom and opportunity to unleash the genius of the people to solve problems.

The American people voted in 1980 to limit the growth, power, and cost of government in order to provide more opportunity in the private sector. Today people have a natural skepticism about the ability of massive new government programs to solve problems. The profound ideological influence of the Reagan era has not been limited just to the United States. Our emphasis on freedom and opportunity was the ultimate catalyst for an international political movement that is having a profound effect even on the Soviet Union and Communist China.

Institutionally, the biggest political impact of the Reagan era is the growing ideological difference between the parties. By and large, the conservative Democrats in the Congress who voted with Reagan in 1981—I was one of them—are gone. Quite a few are now Republicans. Some have left politics. Some have moved to the left. There is no political middle anymore. Even in my part of the country, the state Democratic Party is more and more a reflection of the national Democratic Party. There are still some conservative Democrats in office who will stay in office as long as they want to, but they couldn't win the Democratic nomination in their current posts if they were just starting out today. That's because voters who voted for Republicans in national elections, and for like-minded Democrats in Congress and state legislatures, are now becoming Republicans. They are not voting in the primaries to nominate conservative and moderate Democrats.



Drawing by Alexander Hunter for Policy Review



Gramm with El Paso constituents: "We must never grant the liberals the moral high ground. We are the ones who love ordinary people. It's our program that benefits the average citizen."

***P.R.*: You don't seem to agree with the conventional wisdom that ideological conflict is less important today than in the 1960s, '70s, and early '80s.**

Gramm: No, when you cut through all the rhetoric, there are two competing visions for America's future. The Democratic vision is more government providing more benefits to more people—and, along the way, creating more constituencies for the Democratic Party. The Republican and conservative vision is more freedom—with a growing America providing more opportunities for more people. You can't have both unlimited government and unlimited opportunity; you have to choose. Democrats cannot govern America unless government grows. Republicans can't govern unless opportunity grows. Both those things can't happen at the same time.

The budget debate goes to the heart of this conflict of visions. Some people who call themselves supply-siders fail to recognize that there is an unbreakable link between the capacity to create incentives and the requirement to control the growth of government. The budget debate today is really a debate about whether the Reagan program is going to become permanent. While we provided incentives through the reduction of taxes, we did not institute the controls on the growth of government that were necessary to finance those incentives.

***P.R.*: When you came to Washington in the late '70s, the conservative movement was very well organized both at the grass-roots level and in Capitol Hill caucuses, although of course it was totally excluded from the White House. Is it fair to say that the conservative movement has lost some momentum since then?**

Gramm: It's a bit of an overstatement to say conservatives were very well organized a decade ago. We were beginning to see the emergence of a conservative leadership in the country. I sensed this when I was running for public office and asked people back home to let me be part of a new wave of leadership, to reaffirm the sovereignty of the individual citizen and turn America around. But we really didn't have a concrete program in 1979 and 1980 for governing the country. We were just beginning to formulate a program. What really activated our efforts to put a conservative program into place was the election of Ronald Reagan, though of course a lot of the intellectual groundwork for the Reagan program had already been established.

Conservatives still win when we define issues in terms of our fundamental values of freedom and opportunity, and then take our message to the American people. We lose when we let the other side define the terms of debate, and when we don't get the general public involved in the debate. Republicans lost the majority in the Senate that we gained in 1980 because we did not maintain control of the agenda. We didn't define the cutting-edge issues that would allow people to see the difference between Republicans and Democrats.

In an ironic way, Reagan's successes made the voters a little less frightened of giving the Democrats control of the government. The people did not trust the Democrats to defend America and keep Ivan back from the gate. So the Democrats have benefited from the success of Republicans in defense and foreign policy since 1980, as the public has become convinced that Ivan is not the peril he once was. Similarly, Americans did not trust the Democrats to promote sound economic policies, but as the economy has grown and 20 million additional people have gone to work, the basic economic concerns that dominated the elections in 1980, '82, and '84 seem to be fading.

But part of the Republican problem lately has also been a failure to define the next step, to lay out a vision for the nation beyond the Reagan vision.

***P.R.*: What can be done to better mobilize conservative voters at the grass-roots level?**

Gramm: The Democrats understand the nature of their political constituency and their program better than we do. The basic thrust of the Democratic program is to create new constituencies by expanding government benefits into the middle class and higher income groups. The natural constraint they face is the harm their policies do to the economy.

The Democrats nevertheless have a big advantage in being able to draw on a professional constituency. Activists for the Democratic Party are direct beneficiaries of government, and they perform in the election process as you would expect professionals to perform. They are consistent. They don't get confused about the issues, they don't let personality conflicts or factors related to the personal behavior of politicians interfere. They rarely get confused as to who is in favor of big government and who is not.

By contrast, the basic constituency we're trying to reach is a volunteer constituency. Our people have to be inspired. When they get up for a contest, as they did in 1980 and '84, they can run all over the professional competition. The group that we can draw from is larger, and the basic motivation, though not as long in duration, is greater in intensity. Our difficulty, especially in off-year elections, has been in activating this constituency. Not enough attention has gone into the development of issues and programs that would activate the grass-roots conservative majority.

***P.R.*: What vision would you suggest for the conservative movement beyond the Reagan vision?**

Gramm: We need to stand for new foreign policy objectives in dealing with the Communist bloc. The containment strategy of the last 40 years has worked. We were able to keep Ivan back from the gate, and the natural superiority of our system of capitalism and democracy has started to emerge. If we can continue to strengthen our system by employing it at home, by exporting it to the Third World, and by expanding trade, we have the possibility in our lifetime of seeing the whole world free—including the peoples of the Soviet Union. Our objective should be to liberate the peoples of Central America, Cuba, Eastern Europe, and the Soviet Union, not with arms but with the power of ideas. And that, in my opinion, should be the stated policy objective of the Republican Party. No other foreign policy objective is truly worthy of the American people.

I reject protectionism as a dagger aimed at the heart of everything America and the free world have achieved in the postwar period. We are on the verge of winning the Cold War because of the creation of a wealth machine through world trade. We have helped set up little models of American capitalism in Japan, Korea, and Taiwan. We have rebuilt Europe through trade. It is the power of this wealth-creating machine that has brought the Soviets to their knees.

We need to expand trade rather than reduce it. We need to build on the U.S.-Canada Free Trade Agreement until there is a free trade area that runs from the top of North America to the Antarctic. We should punish unfair traders, not by hurting our own consumers with protectionism, but by seeking out the competitors of unfair traders and giving them expanded access to our markets in return for expanded access to theirs.

Our biggest failure in foreign policy has been our approach to the developing world, which we have tried to put on American welfare. The welfare program has worked no better abroad than it has at home. What we have to share with a hungry world is not our cake, but

I reject protectionism as a dagger aimed at the heart of everything America and the free world have achieved in the postwar period.

the recipe we use to bake that cake. And that recipe is capitalism and democracy. We should promote trade. And we should give no assistance except humanitarian assistance to nations that do not follow the only approach that generates lasting economic growth. That system is economic freedom.

On the domestic front, our goal should be to let working people keep more of what they earn. Economic growth is currently generating about $80 billion of new revenues a year for the federal government. The Gramm-Rudman law requires that half of those funds go to reduce the deficit—it allows the government to spend the other half. My view is that the $40 billion left after we meet the Gramm-Rudman target shouldn't all go to the people riding in the wagon. Some of it should go to the people pulling the wagon. We need to declare a wagon-puller dividend, with half of the revenues generated from economic growth going back to the people who are generating the economic growth. After

the budget is balanced under Gramm-Rudman, the dividend for working people can be even bigger. Government is not the generator of economic growth; working people are. We should be debating ways of lowering taxes, providing more incentives, and granting more freedom to more people.

After all, the genius of the American system is that through freedom we have created extraordinary results from plain old ordinary people. A huge untouched reservoir of talent can be tapped by providing more incentives and more opportunities for individual initiative. When you look at what we achieved through the Reagan program, which was a very modest program, it's ample proof that we have only scratched the surface of what free people who have incentives can do.

The budget debate today is really a debate about whether the Reagan program is going to become permanent.

***P.R.*: How would you evaluate President Bush's approach to Congress so far?**

Gramm: I think President Bush has been effective in dealing with Congress. He has gone out of his way to be personally involved, and his hands-on approach has been very well received in Congress. Obviously, the real test is yet to come—in next year's budget, as well as in what we're going to do with the ABC child-care bill, the continuing pressures of protectionism, and the greatest failure of the Reagan administration, the tax hikes contained in the Medicare Catastrophic Coverage Bill. But at this point, I would have to give our new president high marks.

George Bush is not the visionary Reagan was, but as a hands-on, day-to-day administrator he understands how the government works and is more effective in executing policies than was President Reagan.

***P.R.*: Has President Bush picked the right issues for bipartisanship?**

Gramm: Our stop-and-start Central American policy of the last few years simply could not work. In responding to the Soviet invasion of Afghanistan, we had a consistent policy and we were successful, while in Nicaragua we have had an inconsistent policy and we have failed. A non-optimum but consistent policy that is well executed can be more effective than an optimum policy that is poorly and inconsistently executed.

I also give the president's budget agreement a better grade than most people do. Any time you can adopt an agreement that limits the growth of federal spending to 2 percent, even though the budget in the best spirit of bipartisanship has a little cheating here and there, you've made real progress.

Confrontation with the congressional leadership is destined to come on a lot of issues, and I hope we won't have the problem we had in the Reagan administration where the president was too reluctant to take Congress on. But we're in the first inning here with President Bush, and I think his going the extra mile to try to engage in bipartisanship is probably a good policy. It might have some successes, and even if it doesn't, it will put the president in a better position to go into combat. The public would then know that he tried to work out a bipartisan agreement, and the Democrats wouldn't work with him.

***P.R.*: What steps could President Bush and/or the House and Senate GOP leadership take to revive the 1981 coalition between Republicans and conservative Democrats that you played such an important part in?**

Gramm: Since there are no real conservative Democrats in the Senate today, the only way we're going to implement conservative policies there is to win back a Republican majority. If Republicans gain substantially in the House, a handful of Democrats would be willing to work with us on a bipartisan basis, but probably no more than 10.

***P.R.*: What must Republicans do to win control of the Congress?**

Gramm: People tend to vote for president based on their fundamental values and their highest aspirations for America. They view the president as the leader of the free world, as the initiator of policy in America. For that office, Republicans have done well.

The whole issue of crime without punishment is the hottest issue I've seen in my 11 years in politics.

The objective of the American people in electing congressmen and senators is different. People want their congressman to get things done for their district. They want their senator to get things done for their state.

To get elected and reelected, Republicans therefore have to be more effective in getting things done for their districts and states. You can do this well and at the same time promote the overall objective of letting people keep their money to begin with. Constituent service has to be a high priority. I might be interested in changing the fiscal policies of the nation, but if Aunt Sarah didn't get her Social Security check this month, to Aunt Sarah

that's the most important problem in the world. If you're going to govern, you have to deal with those problems.

Second, Republicans have to define the issues so clearly that the American people will see that there are policy issues involved in electing people to Congress. Most voters do not view Congress as setting national policy; they think congressmen and senators only represent their constituents and fight for their interests. Unfortunately, Congress does have a bigger and bigger role every day in setting national policy. Republicans therefore have to run on issues that show why it makes a difference for national policy whether you have a Democrat or a Republican in Congress.

***P.R.*: You'll be coming up for reelection next year. What do you see as the cutting-edge issues for GOP Senate and House candidates in 1990?**

Gramm: To start with, a change in our foreign policy objectives, moving from maintaining the status quo to winning the Cold War. We should call for a combination of balancing the budget and letting working people keep more of what they earn. We should promote increased trade. We should roll back programs that don't work.

The Medicare Catastrophic Coverage Bill is the first entitlement program in American history that the beneficiary has had to pay for, and, as a result, a substantial number of people have decided that it is not a good deal. In essence, collectivism has come up against the limits of fiscal reality. It would be a tragedy if we do not substantially overhaul that program.

The whole issue of crime without punishment is the hottest issue I've seen in my 11 years in politics. This is an area where government clearly has a legitimate role and where government has failed. It is also an issue in which the Democrats are wrong and the Republicans are right. In the past 20 years Democrats have generally taken the line that crime was a social problem and that criminals were victims of an unjust society. Their policies have produced the crime without punishment we suffer from today.

We need a major new crime and drug bill with a focus on putting violent criminals in jail and keeping them there, and penalizing the users of illegal drugs. Last year we started out with a fairly good drug bill, but it was debated far too late in the legislative session. Many members of Congress had gone home before the bill was completed, and most of the teeth in the bill were extracted. In fact, it helped the Democrats in the 1988 elections to be able to vote for such a package. I don't intend to see that mistake made again this year. Republicans need to come out with a concrete program for crime and drugs, and not allow it to be compromised away.

***P.R.*: Would it be politically suicidal for President Bush to raise taxes?**

Gramm: Raising taxes is a mistake for a lot of reasons. Number one, tax increases are unnecessary in order to meet the targets of the deficit reduction law in place. Number two, raising taxes is not desirable, because what is desperately needed is the reordering of priorities and



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"If we should vote next week on whether to produce cheese on the moon, I would oppose it. However, if the government institutes the policy, I would see that a Texas contractor builds this celestial cheese plant, that the milk comes from Texas cows, and that the earth distribution center is in Texas."

the termination of obsolete programs. Number three, raising taxes will simply allow the government to continue to grow. And that growth will be focused in areas where government policies clearly are not working. The deficit problem offers an opportunity to institute fundamental changes.

I would be happy to adopt President Carter's zero-based budgeting concept in writing the next budget and require every program, including entitlement programs, to be reauthorized and reappropriated. The Democrats would never allow that of course, but I think that's the kind of fundamental reordering we need.

***P.R.*: As both a congressman and a senator, you have been one of the more articulate spokesmen on Capitol Hill for market economics and limited government. At the same time you have been a member of a Texas congressional delegation that has been very effective in delivering federal goodies for its constituents—whether they be cotton price supports or easy regulation of the savings and loan industry or construction of the superconducting supercollider. What principles do you use in determining whether a policy good for some of your constituents is good for the country?**

Gramm: Let's put it this way: If we should vote next week on whether to begin producing cheese in a factory on the moon, I almost certainly would oppose it. On the other hand, if the government decides to institute the policy, it would be my objective to see that a Texas

contractor builds this celestial cheese plant, that the milk comes from Texas cows, and that the earth distribution center is located in Texas.

***P.R.*: What do you consider your three greatest accomplishments as a United States representative and senator?**

Gramm: I'm proud of my work on the Reagan budget in 1981, which rebuilt national defense and was the only successful effort in American history to reorder government priorities and restructure entitlements.

The Omnibus Reconciliation Act of 1981, which mandated the largest tax cut in American history and set into motion the creation of incentives that have put 20 million people to work, is another legislative accomplishment that I'm proud of.

Our objective should be to liberate the people of Central America, Cuba, Eastern Europe, and the Soviet Union, not with arms but with the power of ideas.

And third, the Gramm-Rudman Bill of 1985, although I would be the first to say it is far from perfect. For the 20 years prior to Gramm-Rudman, federal spending grew at almost 11 percent a year. Since its adoption, federal spending has grown at less than half that rate, and in three out of the last four years, government has actually gotten smaller relative to the private sector of the economy. The deficit has also been cut roughly in half.

***P.R.*: How important is it for conservatives to win more support among blacks and Hispanics? What are the best ways to do so?**

Gramm: It is important that we define our vision in such a way that every American can understand it, and every American can feel a part of it. Since too many Hispanics and blacks have lower incomes, I feel that in a world of perfect communication they would be the mainstay of conservative support. This is because the largest beneficiary of a program for economic freedom is not the person who already has a piece of the pie, but the person who wants the opportunity to get one. The conservative program benefits the country, and therefore it provides marginal benefits to the people who are already successful, but it is aimed at generating the largest benefits to the people who want to use their God-given talents to advance themselves and their families.

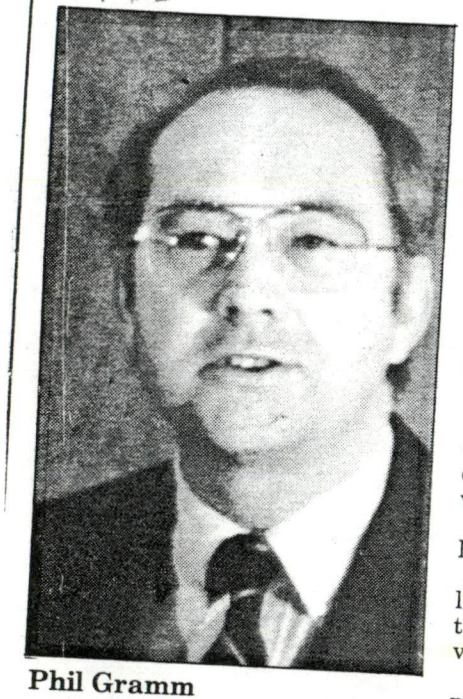
Conservatives have to reject the idea that we can appeal for minority votes by imitating the Democrats. People will never buy imitations when they can have the real thing. If people want more government programs, they are going to vote for the Democrats. What Republicans have to do is to demonstrate that private-sector opportunities are going to help minorities. I believe they will, and I believe they have. We must never grant the liberals the moral high ground in this debate. We are the ones who love ordinary people. It's our program that benefits the average citizen.

Volunteer

Gramm 'ding-a-ling' for charity

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Phil Gramm
... visits Abilene

By JULIE FITZPATRICK
Staff Writer

Sen. Phil Gramm was named an "official ding-a-ling" Saturday when Captain Don R. Burlock of the Abilene's Salvation Army asked the senator to ring a handbell to help kick off this year's Salvation Army Christmas Cheer Program.

After the ceremony at River Oaks Village shopping center, Gramm said the government can not allow prison rioters to set policy as the Cubans are trying to do by holding hostages in Louisiana and Atlanta.

He also said he feels the Gramm-Rudman bill will reduce the deficit by $30 billion this year, and he hopes to amend the bill in an effort to cut the budget even further.

H.C. Zachry, president of the Abilene Chamber of Commerce, opened the ceremony at the shopping center by commending the "energy of the volunteers" who drive our community.

Mayor Dale Ferguson introduced Gramm, a Republican senator.

Gramm, who has traveled to several cities to help launch Salvation Army programs, praised the Salvation Army as an "organization that epitomizes the voluntarism that is America."

Gramm gave a brief history of the organization and mentioned several Salvation Army programs, such as Toys for Tots and the Thanksgiving and Christmas baskets given to the poor each year.

He noted the efficiency of the organization, saying that out of each dollar given to the Salvation Army in Texas, 86 cents goes to the needy.

After Burlock closed the ceremony with a prayer, Gramm answered questions from the public.

Gramm said that officials need to look into how prison riots occur so hostage situations can be prevented.

"We cannot allow people who are rioting in prisons to set American policy."

On Capitol Hill, Gramm said Congress and the president have been "brought to the altar" because of the Gramm-Rudman bill and have agreed to make sacrifices necessary to cut the deficit.

"I think Gramm-Rudman has worked again," he said.

However, Gramm said he was disappointed because he felt the bill could have done more.

"I want to amend it and come up with more savings so we in Texas can share in the recovery," Gramm said.

He said he recognizes the seriousness of oil industry problems, but said he was optimistic.

"The most encouraging sign is the using of surplus oil in the world recovery," he said.