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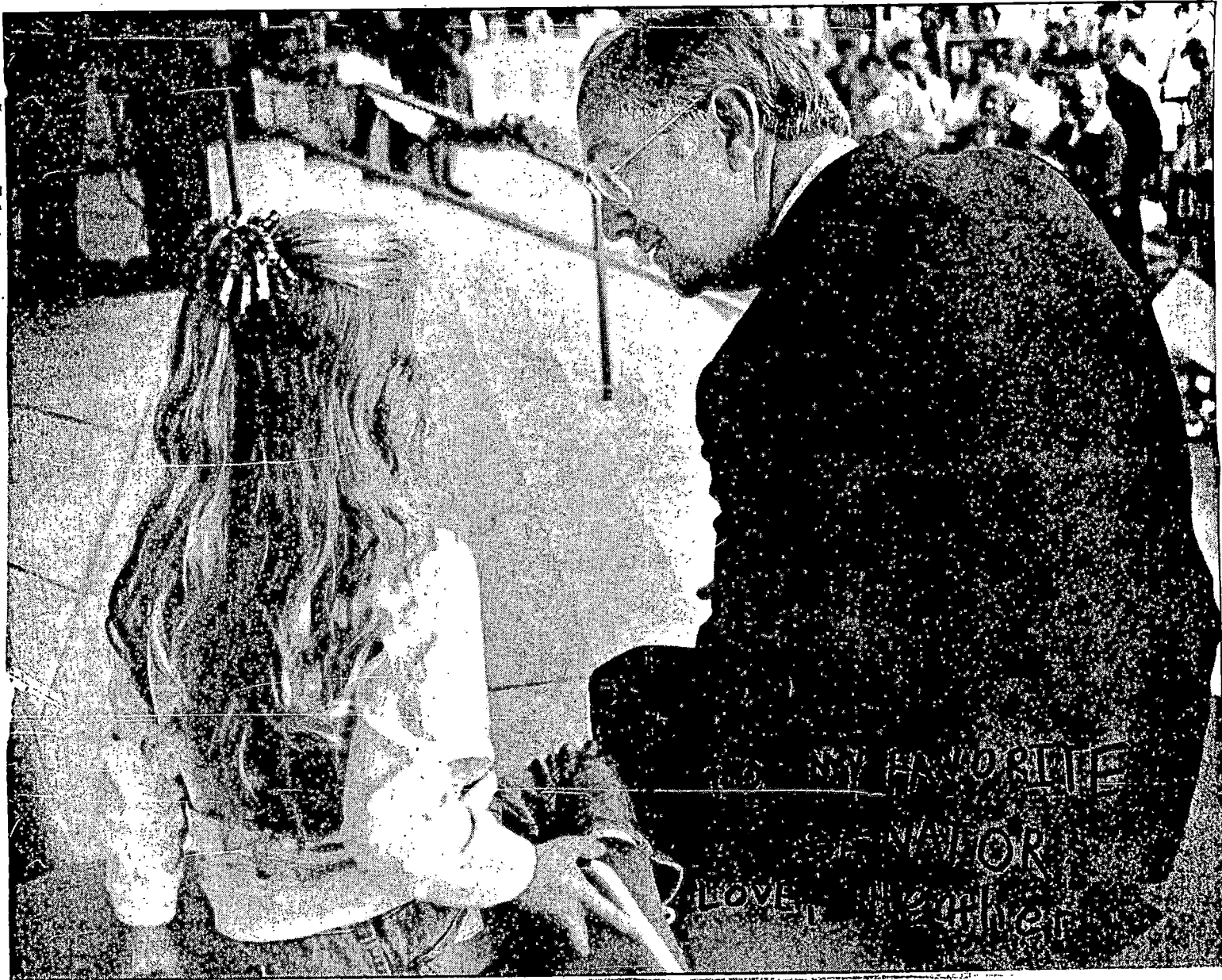
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Senator Gramm Fundraiser 12/7/89 [OA 6342] [2]

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COURIER

Montgomery County's only daily newspaper

3 Sections, 30 Pages, Plus TV Times



Wooing the youth vote

United States Senator Phil Gramm and Heather McClain talk over the issues while waiting for Gramm to speak at the Republican rally Saturday. The rally, held at the Montgomery

County Courthouse, was also attended by George Bush, Jr., son of the Republican presidential nominee.

Photo by DAVID HOPPER

economics

Chicago Sun-Times 5/19/88 p. 43

economic growth
from Reaganomics

Where's the beef? Phil Gramm can provide some

As the two probable presidential nominees tiptoe toward their rewards, dispensing rhetorical cottage cheese, Sen. Phil Gramm, the Texas Republican, is too polite to ask "Where's the beef?" But he knows how to provide some. He thinks about



George F. Will

policy with a boldness both candidates lack and with a substance George Bush should borrow.
Seven years ago Phil Gramm, an economics professor turned congressman, was a Democrat who could be forgiven for feeling that he and a few friends were at the wheel of the world. Back then, when the world was young and David Stockman was king, a handful of conservative Democratic congressmen, called boll weevils, were crucial to President Reagan's narrow win for his tax and spending cuts. Since then, Mr. Gramm has become a Republican, a senator and co-author of the emblematic legislation of this decade.
The deficit was \$233 billion when Gramm-Rudman was enacted. If this year's Gramm-Rudman deficit-reduction targets are hit, the

deficit will be \$136 billion and will have been cut in half as a percentage of gross national product. In the last 11 election years, spending has grown, on average, 10.5 percent. If Gramm-Rudman is enforced, spending will grow just 4.5 percent this year. Last year spending rose only 1.4 percent.
If Sen. Gramm's only objective were the confinement of government, his policy would be sterile. However, he connects that goal with growth of opportunity at home and of democracy abroad. It is, for conservatives, an agenda for social invigoration. For liberals, it is an example of what an agenda looks like.
Since the end of the 1982 recession, he notes, the U.S. economy has created nearly 16 million jobs. The number of workers earning just the minimum wage has fallen 25 percent. The number of people working for businesses that employ 500 or more workers has declined. This decline testifies to entrepreneurship creating new businesses, to a shift toward smaller units of manufacture, to efficiencies forced by foreign competition.
The dangerous drive for protection from such competition ignores some facts.
The quadrupling of America's trade deficit since 1982 has not prevented creation of 14 million new jobs, or a 28 percent decline in unemployment—while unemployment rose 17 percent and 20 percent in Japan and the European Community, respectively. The

trade deficit did not prevent the economy from creating jobs three times faster than Japan and 20 times faster than West Germany. The trade deficit has not meant the eclipse of manufacturing. The deficit has coincided with an annual increase of 125,000 manufacturing jobs from 1982 through 1987.
Sen. Gramm's doctrine of social invigoration has a foreign-policy application. Development aid has, he says, been based on a misunderstanding of the Marshall Plan's success. That plan was less important for its direct material aid than for its substantial reduction of trade barriers against European and Japanese goods.
The mistaken interpretation of the plan has given rise to foreign aid that expands collectivism and the public sector in recipient nations. Proper policy, says Sen. Gramm, would emphasize the political fecundity of such economic rights as the right to private property and the right of contract. Capitalist empowerment of individuals breeds pressure for democratization. A goal worthy of the American people, says Sen. Gramm, is to give nations not merely a slice of cake but the recipe for baking cakes. Trade should be conditioned on adopting free-market policies.
Thanks to the recipe, Taiwan has a per-capita income 13 times that of China. Thirty-five years ago, South Korea had a per-capita income of \$50. Today it is \$3,000 and South

Korea is a world power, ninth in GNP.
South Korea, Sen. Gramm believes, may be confirming the conservative hypothesis that economic development driven by capitalism generates pressures for democracy. The success of the Asian rim is not due to uncommonly talented populations, but to a capitalist system (it should be an American export) that elicits extraordinary efforts from common people.
Now, one need not subscribe to all the substance of Sen. Gramm's synthesis of policies. Various Democrats—Senators Bill Bradley and Pat Moynihan are examples—offer alternative fusions of political theory and practice. All such examples of intellectual reach underscore how terminally timid are the current thoughts of the two cottage-cheese candidates.



Sen. Phil Gramm

George F. Will's column is syndicated by the Washington Post Writers Group.

Develop Nations

Business Notes

drugs
(balloon)

LOCAL ECONOMIES

They Love Their Balloon

Bigger towns might consider it a boondoggle or an eyesore. But the depressed West Texas ranching town of Marfa (pop. 2,500) is delighted about the economic benefit of a 240-ft. radar surveillance balloon that the Customs Service has tethered nearby and plans to fly at an altitude of 14,000 ft. One of

six in a planned network along the Mexican border, the helium-filled aerostat can spot suspected drug-smuggling planes up to 200 miles away, then flash data to authorities who will try to intercept the aircraft.

The Marfa installation alone will cost \$18 million. Its benefits include some 30 new technical jobs, an annual payroll of \$1 million and perhaps a few carloads of tourists drawn to the remote prairie for a look at what townsfolk fondly call the "big, pregnant whale." Says local newspaper editor Robert Halpern: "This is a real shot in the arm for retail sales and real estate—and community pride too. We used to get attention for our cow pastures. Now people know we're doing all we can to fight the drug war."



Texas Senator Phil Gramm salutes the blimp

THE DOLLAR

This Time We Really Mean It

Since early this summer, the finance ministers of the seven leading industrial countries have seemed almost powerless to tame the surging U.S. dollar. They agreed the currency was too high and, in the long run, threatened to aggravate the U.S. trade deficit. But their desultory attempts to push down the greenback prompted suspicion that the G-7 group had lost its clout. Last week the finance ministers made a con-

certed effort to bring the dollar down by intervening in the currency markets. The U.S. currency fell nearly 5% against the yen and about 4% against the deutsche mark by week's end.

Even so, some currency experts believe that the dollar will rise again in the next six weeks to three months, since U.S. interest rates remain relatively high compared with levels in Japan and West Germany. The prime reason for high U.S. rates is the heavy Government borrowing necessary for financing the budget deficit.



Coors and Stroh merge in a mug

BEVERAGES

Unhappy Hour For a Brewer

When Adolph Coors and Bernhard Stroh started their breweries more than a century ago, the beer industry was wide

open and hundreds of small companies were able to compete. Today the top five brewers control 90% of the market and the industry is no longer so forgiving. Last week struggling Stroh agreed to sell most of its brewery operations to Coors for \$425 million.

For Stroh and Coors, the third and fourth largest U.S. brewers, the combination is a matter of necessity. Neither has the financial clout or national brands needed to compete against behemoths Anheuser-Busch (market share: 42%) and Miller (21%). By acquiring the Detroit brewer, Coors will have a 19% share and gain established Stroh brands, including Schlitz and Old Milwaukee.

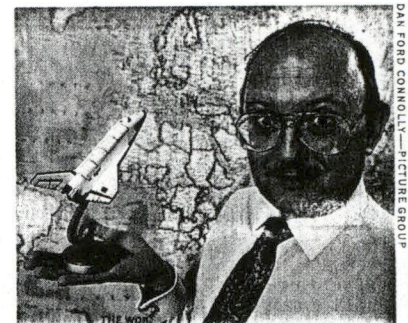
ENTREPRENEURS

Texas' Cosmic Dealmaker

Is Houston lawyer Arthur Dula a dreamy eccentric, or a cosmic entrepreneur? For nearly three years he has toiled with little success to find U.S. customers for the Soviet Union's space program. Undaunted, Dula scored a coup in June when the Soviet space agency named him its exclusive American business partner. The attorney now hawks everything from advertising space on Soviet rockets to tours of launching pads.

Dula's nemesis has been the U.S. Government, which refuses to let American firms launch satellites on Soviet rockets. Washington insists

that such a practice would violate laws against the transfer of advanced technology. But Dula is pressing the Administration for a license to place a U.S. communications satellite aboard a Soviet Proton rocket. His perseverance is understandable. The Soviets would probably charge more than \$50 million for a launch; Dula's company, Space Commerce, would pocket half the profit.



Dula displays the Soviet shuttle Buran

AIRLINES

Round Trip To Bankruptcy

When Braniff airlines suddenly canceled virtually all its 256 daily flights last Wednesday, many customers must have had a sinking sense of déjà vu. Just five years after the airline emerged from a two-year bout with Chapter 11, Braniff said



Braniff is groaning to a halt

it was filing for bankruptcy protection once again. The company's decision seemed all the more abrupt because only last May it moved its headquarters from Dallas to Orlando and ordered 50 new Airbus A320 jetliners for \$2 billion.

Braniff's bullish executives had hoped to find a niche for the midsize airline by developing a hub at the Kansas

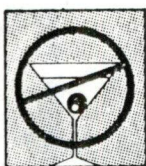
City airport, an opening that was created by a retrenchment at bankrupt Eastern Airlines. But Braniff's business failed to grow fast enough to support its debt payments. When a recent bridge financing deal for \$75 million fell through, Braniff was strapped for cash. The bankrupt airline, which has laid off 2,800 of its 4,800 employees, hopes to rebuild slowly.

San Antonio Light
San Antonio, Texas

DEC 31 1987

Thumbs down on bottoms up

New reminder on drunken driving



DALLAS (AP) — U.S. Sen. Phil Gramm led officials on a five-city Texas tour on the eve of New Year's Eve, warning that a de-

cline in the number of alcohol-related traffic deaths could end unless the public is reminded of the problem of drunken driving.

"Everybody can be proud of the progress that's been made, but this is not a war that can be won once," said Gramm, R-Texas. "Drunken driving is a tragedy and it's a crime and it's a problem we can do something about."

Gramm and other officials produced national figures showing that a U.S. decline in alcohol-related highway deaths stopped suddenly in 1986. Although Texas so far has bucked that trend, they said the state, too, could lose ground in its

battle against drunken driving.

"In 1986 progress came to a screeching halt and one of the reasons for that halt was because national attention began to wane on this issue. That's why we're here today. We're going to do everything we can to get back on the right track," said Bill Scott of the National Highway Traffic Safety Administration.

The officials did not have a breakdown of figures for Texas but said the number of drunken driving-related deaths has declined from 1982-87. The national decline, which began in 1982, abruptly ended in 1986 when the number of deaths rose 1 percent, Scott said.

Texas Department of Public Safety Director Leo Gossett said a partnership between state and local law enforcement officials, along with a high percentage of seat belt use, were among the main reasons



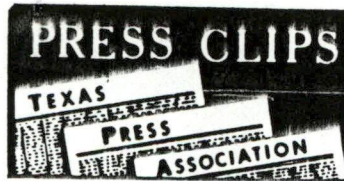
PHIL GRAMM

Warns of decline in progress

for Texas' decline in drunken driving deaths.

But Gossett and other officials said Wednesday's tour was meant as a reminder that laws and enforcement alone never can stop carnage on the state's highways.

"You've heard a lot about partnerships between state and federal government and between law enforcement agencies and community groups, but ultimately it comes down to each individual," Gramm said.



718 WEST 5th ST. AUSTIN, TEXAS 78701 PHONE 477-6755

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Childress, Texas

MAY 23 1989

Gramm Does Part To Help Crop Drought Victims

WASHINGTON--Legislation co-sponsored by U.S. Sen. Phil Gramm will extend the 1988 Disaster Assistance Act to help farmers whose winter crops have been devastated by the ongoing drought.

"Some areas of our state have had no significant rainfall since last year," Gramm noted, "and freezing weather has wiped out many of the crops that the drought missed."

Specifically, the legislation will cover crops of wheat, oats, barley and rye that have sustained damage due to drought, hail, freezes and other weather conditions in 1988 or 1989.

The crops in Texas that would be affected by the legislation are chiefly wheat and oats.

"Under this bill, for a yield loss of up to 35 percent, the farmer would keep his advance payments," Gramm said. "For losses between 36 percent and 75 percent, they would collect total payments equal to 65 percent of the established price."

"And for losses above 75 percent, they'll get payments equal to 90 percent of the established price," the senator said.

"The drought and freezes have ranged over half of Texas," Gramm said. "They have destroyed 35 to 50 percent of our winter wheat crop."

"Simply allowing people who planted their crops during 1988 to benefit from the 1988 drought relief bill will avert economic disaster for many Texas farmers."

drought relief

Helping Texans



718 WEST 5th ST. AUSTIN, TEXAS 78701 PHONE 477-6755

American-Statesman
Austin, Texas

MAY 19 1989

Senate bill seeks farm relief

Gramm, Bentsen behind effort to aid drought-stricken areas

WASHINGTON (AP) — With estimates on the size of this year's Texas wheat crop dropping by the week, Texas Sens. Lloyd Bentsen and Phil Gramm helped introduce legislation Thursday to help farmers battered by extreme weather.

"Our winter wheat crop has been burned, blown away and now buried. There's been no rain, no more miracles and now, no more hope," said Senate Minority Leader Bob Dole of Kansas in introducing the bill.

The bill would extend last year's \$3.9 billion drought relief package to crops planted in 1988 for harvest this year. The action would cover mostly winter wheat, the crop in most serious trouble, Dole said.

Funds would also be available to help transport livestock to areas with water and feed, while also helping producers who have had to implement emergency water projects to bring water to livestock, Dole said.

"The drought and freezes (of 1989) have ranged over half of Texas," said Gramm, a Republican. "They have destroyed 35 to 50 per-



Sen. Phil Gramm says the bill will 'avert economic disaster for many Texas farmers.'

cent of our winter wheat crop. Simply allowing people who planted their crops during 1988 to benefit from the 1988 drought relief bill will avert economic disaster for many Texas farmers."

Bentsen said the Texas wheat crop is now estimated at 60 million bushels, "and that estimate is declining every week."

"By contrast, we harvested 90 million bushels last year and 100 million the year before. So we are looking at a 40 percent loss statewide," said Bentsen, a Democrat.

Gramm said some areas of the state have had no significant rainfall since last year, "and freezing

weather has wiped out many of the crops that the drought missed."

According to Bentsen, some farmers have lost entire crops: A freeze on April 11 devastated what looked like a good wheat crop in Central Texas, while no rain in the Panhandle since planting time has devastated crops there.

"It rained a little recently," Bentsen said, "too late to help, and the storms brought hail that destroyed even more of the crop. Those crops are now gone."

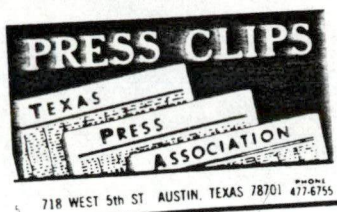
Bentsen said the bill introduced Thursday will provide the same assistance to Texas farmers that was provided to farmers in other areas last year who lost spring-planted crops because of the record 1988 drought.

Dole said Kansas pastures and set-aside acres are "bone dry, setting off a chain reaction of bad news on the drought front: haying and grazing on set-aside acres will be of little benefit, access to inadequate forage and water supplies for cow herds have caused heavy runs on cattle to slaughter, and now, wheat farmers are simply plowing their crops under."

drought relief

Helping Texans

Space is important to TX



Houston Post
Houston, Texas

MAR 24 1989

Gramm backs full funding of NASA

By Glenn Nolan Lewis and David Plesa
OF THE HOUSTON POST STAFF

Senator touts space station plans

U.S. Sen. Phil Gramm Thursday called for full funding of NASA's \$13.3 billion budget request for fiscal 1991, including \$2.1 billion for the space station.

After a tour of a space station mockup conducted by Aaron Cohen, director of Johnson Space Center, Gramm, a member of the Senate Appropriations Committee, voiced unqualified support for the project that the space agency bills as a stepping-stone to manned exploration of the solar system.

"I agree with Aaron that this is a make-or-break year in terms of the space station," Gramm said.

Total cost of the station currently is pegged at more than \$23 billion, with about \$7.7 billion of that to come from the European Space Agency, which represents nine European countries, Japan and Cana-

da. The United States will pay the remaining \$16 billion. According to the current schedule, the space station will be ready for permanent habitation by late 1996.

The facility, a network of pressurized laboratory modules connected to a habitation module, is expected to accommodate crews of eight astronauts on missions lasting up to six months.

Congress last year approved \$900 million in funding for the space station but divided the appropriation into two segments: \$385 million last October and \$515 million that will be available on May 15 unless President Bush orders a decrease. That is not considered likely. The election year funding rationale was to give the new administration a voice in current funding levels.

At a Rotary Club of Houston meeting

earlier in the day, Gramm said the Texas economy is on the comeback trail but that securing full funding for the proposed space station and the \$5.9 billion superconducting super collider project is critical to continued economic growth.

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

The SSC, a 53-mile-long underground particle accelerator, is scheduled to be built near Waxahachie. But getting funding from Congress will be an uphill battle, Gramm said.

"Our problem is basically that Congress loves to invest in the next election but not in the next generation," he said.

Gramm said he met earlier in the day in Beaumont with representatives of con-

struction unions to get their support for the super collider.

The SSC, he said, will benefit research facilities and universities not just in Texas but throughout the country.

"We have got to let the rest of the country understand that although this project is in Texas ... it will benefit other states directly," Gramm said.

Also important to the recovery of the national and state economies is reducing the federal deficit, said Gramm, co-author of the Gramm-Rudman Act, the measure calling for a balanced federal budget.

The target for next year is a \$100 billion federal deficit, he said. The deficit now stands at about \$155 billion.

"The best thing we can do to bring down interest rates ... is to reduce the deficit by some \$50 billion," he said.

Keeping taxes at current levels also is important to the economic recovery, Gramm said.

Herald
New Braunfels, Texas

MAR 10 1988

One of the best

U.S. Sen. Phil Gramm will receive the Texan of the Year award during a reception tonight at New Braunfels Civic Center. The 7:30 p.m. reception kicks off the 22nd Annual Texas Legislative Conference sponsored by Greater New Braunfels Chamber of Commerce. Highlights of the gathering will be panel discussions of energy and economic developments and a luncheon address by State Comptroller Bob Bullock. Registration for the conference begins at 7:30 a.m. Friday followed by the keynote address by Gramm at 8:30 a.m. and the panel discussions at 9:30 and 10:30 a.m. Panel members for the energy discussion include Max Sherman, Kent Hance, James A. Middleton, Kenneth Lay and John E. Watson. On the economy panel will be Stephanie Coleman, J. William Lauderback, Pike Powers and Reese C. Wilson. Charles E. Berger, M.D., is chairman of the arrangements committee. (Photo by Deryl Clark)



tion Agency] to develop rules like those we're employing on acid rain to allow auto and fuel companies to trade required reductions in order to meet the standard in the most cost-effective way. Our challenge is to develop an emissions trading plan; their challenge is to meet the standards.

The third leg of our proposal is designed to cut all categories of airborne toxic chemicals by three-quarters within this decade. Our best minds will apply the most advanced industrial technology available to control these airborne poisons. The very best control technology we have will determine the standard we set for those plants. And until now, because of an unworkable law, the EPA has been able to regulate only 7 of the 280 known air toxics. The bill I am proposing today will set a schedule for regulating sources of air toxics by dates certain. In addition, it will give the dedicated people of the EPA the right tools for the job, and it will make state-of-the-art technology an everyday fact of doing business. And that's the way it should be.

In its first phase, this initiative should eliminate about three-quarters of the needless deaths from cancer that have been caused by toxic industrial air emissions. And we plan a second phase to go after any remaining unreasonable risk. People who live near industrial facilities should not have to fear for their health.

And for 10 years, we've struggled to engage a united effort on behalf of clean air, and we're now on the edge of real change. Nineteen eighty-nine could be recorded as the year when business leaders and environmental advocates began to work together, when environmental issues moved out of the courts, beyond conflict, into a new era of cooperation. And this can be known as the year we mobilized leadership, both public and private, to make environmental protection a growth industry and keep our ecology safe for diversity. The wounded winds of north, south, east, and west can be purified and cleansed, and the integrity nature can be made whole again. Ours is a rare opportunity to reverse the errors of this generation in the service of the next. And we cannot, we must not, fail. We must prevail. I ask for your support. We need your support to make all of this into a reality.

Thank you all, and God bless you, and thank you very much for coming.

Note: The President spoke at 11:15 a.m. in the East Room of the White House.

White House Fact Sheet on the President's Clean Air Plan

June 12, 1989

Fulfilling a major campaign commitment, President Bush today proposed a comprehensive program to provide clean air for all Americans. The President's plan calls for the first sweeping revisions to the Clean Air Act since 1977 and represents the first time an administration has put forward a proposal since that time. The President's plan is designed to curb three major threats to the Nation's environment and to the health of millions of Americans: acid rain, urban air pollution, and toxic air emissions.

While emissions of some pollutants—such as sulfur dioxide, urban ozone, and carbon monoxide—have been reduced since passage of the 1970 law, progress has not come quickly enough. The President's plan will dramatically accelerate the pace of pollution reduction and put America on the path toward markedly cleaner air by the end of the century.

The President's plan will:

- Cut sulfur dioxide emissions virtually in half by the year 2000. The plan calls for a 10 million ton reduction in SO₂ and a 2 million ton cut in nitrogen oxide (NO_x) emissions, for a total reduction of 12 million tons in acid rain-causing emissions.
- Bring all cities currently not meeting the health standards for ozone and carbon monoxide into attainment. Most cities will attain the standard by 1995, and the plan is designed to ensure attainment in all but the most severely impacted cities by the year 2000.
- Require factories and plants emitting toxic compounds into the air to employ the best technology currently available in order to achieve in the near term a cut estimated at 75 to 90 percent in pollutants suspected of causing cancer.

God bless you, and
or coming.

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meet on the Plan

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Taken together with efforts to reduce cancer-causing emissions from cars and trucks, it is estimated that the plan will eliminate in its first phase over three-fourths of the annual cancer deaths that air toxics are suspected of causing.

Fundamental Principles

Five goals underlie the President's clean air proposals and the means for accomplishing them:

- *Protecting the Public's Health.* The goal of the legislation is to prevent public exposure to cancer-causing agents and to protect those citizens, especially vulnerable populations—such as the elderly, asthmatics, and children—who live in cities with dirty air that does not conform to national health standards.
- *Improving the Quality of Life.* The proposal will improve the quality of life for all Americans by exercising responsible stewardship over the environment for future generations.
- *Achieving Early Reductions and Steady Progress.* The proposal establishes realistic timetables to meet air quality standards, but contains provisions to cut substantial amounts of air pollution in the near term, while requiring steady progress toward reducing emissions that are harder to control.
- *Harnessing the Power of the Marketplace.* The proposal calls for the use of marketable permits to achieve acid-rain reductions and emissions trading to achieve reductions from the automobile pollution, so as to clean the air to a definite standard while minimizing the burden on the American economy.
- *Employing Innovative Technologies.* The proposal encourages development of clean coal technology, alternative fuel systems for automobiles, and other cost-effective means of using new technology to cut pollution.

The President's plan allows for both environmental protection and economic growth, two longstanding concerns often considered at odds with each other. By incorporating both concerns in his proposal, the President

seeks to break the gridlock which has characterized the debate on clean air for the past several years.

ACID RAIN

Highlights

- Requires sulfur dioxide reductions of 10 million tons and nitrogen oxide reductions of 2 million tons.
- Calls for 5 million tons of reductions in the first phase by the end of 1995.
- Establishes a system of marketable permits to allow maximum flexibility for utilities to achieve required reductions in the most efficient and least costly manner.

Background

Acid rain occurs when sulfur dioxide (SO₂) and nitrogen oxide (NO_x) emissions undergo a chemical change in the atmosphere and return to the Earth in rain, fog, or snow.

Approximately 20 millions of SO₂ are emitted annually in the United States, three-quarters from the burning of fossil fuels by electric utilities, 20 percent from other, more widely dispersed industrial sources; and 5 percent from transportation sources. The source of most SO₂ emissions causing acid rain are old (pre-1971) electric powerplants, not subject to the existing Clean Air Act's strict emissions requirements on newer plants. Fifty power plants are responsible for about half of all SO₂ emissions.

Acid rain causes damage to lakes, forests, and buildings; contributes to reduced visibility; and is suspected of causing damage to human health.

Since 1970 the United States has spent \$225 billion to control air pollution. American industry spends about \$33 billion a year on air pollution controls (\$10 billion by the electric utility industry). One result of this expenditure is that SO₂ have been reduced by almost 20 percent since 1977, despite a substantial increase in coal consumption during the period since then.

Any acid rain control program will increase electricity rates for affected utilities. Generally speaking, however, proposals with greater flexibility will result in smaller

rate increases. Thus, the President's proposal to allow trading among utility companies will ensure that protection from acid rain is achieved in a less costly fashion than many of the more traditional "command and control" proposals that have been advanced.

The President's plan represents a major new innovation in harnessing the power of the marketplace to protect the environment.

The President's proposal calls for:

- A reduction of 10 million tons of sulfur dioxide by the year 2000, using a base-line year of 1980 for tons of SO₂ emitted, primarily from coal-fired powerplants.
- A two-phase program in order to ensure early reductions. A reduction of 5 million tons is required during the first phase, by the end of 1995. All dates assume enactment of this legislation by December 31, 1989.
- A 2 million ton reduction of NO_x in Phase II. The plan would allow utilities to trade reductions of NO_x for reductions of SO₂ or vice versa, and thus represents a call for a total reduction of 12 million tons in acid rain-causing pollutants.
- A 3-year extension of the Phase II deadline for plants adopting clean coal-repowering technologies, combined with regulatory incentives designed to smooth their transition into the marketplace. This will allow the United States to make good on the major investment the President has called for in clean coal and will ensure that coal continues to play an important role in America's energy future.
- Freedom of choice in cutting pollution. The plan requires all plants above a certain size in affected States to meet the same emissions standard, but does not dictate to plant managers how the standard should be met. The plan requires the largest polluting plants to make the greatest cuts in pollution. The emissions standard would be set at the rate necessary to achieve 5 million tons in the first phase. The plan envisions a standard of 2.5 lbs. per million BTU, which would affect 107 plants in 18 States. The standard would then be tightened to approximately 1.2 lbs. per million BTU's so as to achieve a 10 million ton reduction in Phase II.

- Maximum flexibility in obtaining reductions. The plan would allow utilities to trade required reductions so that they will be achieved in the least costly fashion. In the first phase, trading would be allowed among electric plants within a State or within a utility system. In addition, full interstate trading would be allowed in Phase II.
- The estimated cost of the President's proposal would be \$3.8 billion annually in the second phase and approximately \$700 million per year in the first phase. While this represents an increase of over 2 percent by the year 2000 in the Nation's \$160-billion-a-year electricity bill, the flexibility built into the President's plan reduces by up to half the cost of various competing proposals mandating the use of specific technologies.

URBAN AIR QUALITY

Highlights

- Employs a mix of Federal measures and State initiatives to cut sharply air pollution in our nation's cities. The Federal measures alone will cut emissions that cause urban ozone, the primary contributor to urban air pollution, nearly in half and help bring all cities into compliance with air quality standards.
- Sets realistic timetables for attaining the standards but is designed to ensure steady progress toward meeting that goal.
- Contains new initiatives to promote alternative fuels to reduce pollution from cars, buses, trucks, and motor fuels, and to harness the power of the marketplace to ensure cost-effective reductions.

OZONE

Background

Based on data measured during the summers of 1985 to 1987, over 100 million people live in 81 urban areas across the country that exceed the health standard for ozone. In some cities, such as Los Angeles, the situation is persistent and severe (176 days in violation of the health standard in

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sured during the sum- 87, over 100 million ban areas across the he health standard for , such as Los Angeles, stent and severe (176 he health standard in

1988); in other cities the problem is margin- al (Lancaster, PA, is listed as a nonattain- ment area, but in fact has exceeded the Federal standard for only a few hours in the last 3 years).

The President's plan is designed to ensure that over two-thirds of the cities now out of attainment—all but about 25 cities—come into attainment by 1995. All but the 3 most seriously polluted areas—Los Angeles, Houston, and New York—will come into at- tainment by the year 2000; and these spe- cial cases will be given until 2010, contin- gent upon a requirement in the President's plan that they show significant annual progress toward cleaning the air and meet- ing the health standard.

Ozone is formed when **volatile organic compounds (VOC's)** are mixed with nitro- gen oxides (NO_x) in the presence of sun- light. Heat speeds up the reaction, and therefore, concentrations are usually higher in the summer months. Exceedances of the ozone standard (.12 parts per million) grew sharply during the especially hot summer of 1988. If a city exceeds the standard for at least 1 hour on 4 or more days during a 3 year period, it is judged to be "out of attain- ment" with the standard.

Exposure to ozone causes short term ef- fects, such as shortness of breath, coughing, and chest pains, that are particularly acute for asthmatics, children, and senior citizens. Moreover, ozone is suspected of playing a role in the long-term development of chronic lung diseases and permanent lung structure damage. In addition to health ef- fects, ozone has effects on vegetation, in- cluding crops such as soybeans, wheat, and corn; is damaging forests in California; and is suspected as a contributing agent in damage to forests in the southeastern United States.

The major sources of VOC's, the most important ozone precursor, are motor vehi- cles (40 percent); small area sources, e.g., bakeries, dry cleaners, and consumer sol- vents (40 percent); large point sources, e.g., petroleum refineries (15 percent); and gaso- line refueling (5 percent). Many large point sources have already been required to reduce emissions by roughly 80 percent from uncontrolled levels under the Clean Air Act, and tailpipe emissions from new vehicles have been reduced by 96 percent.

The smaller area sources are largely uncon- trolled.

VOC and NO_x emissions have decreased nationally since 1978—VOC's by 17 percent and NO_x by 8 percent—despite growth in population, travel, and industrial activity. As a consequence, the trend in ambient ozone concentrations declined by 9 percent from 1979 to 1987. Increases occurred again, however, in the hot summers of 1987 and 1988.

The deadline for meeting urban ozone standards set back in 1977 under the exist- ing Clean Air Act has already expired. De- spite this progress in reducing ozone, the health standards have not been met within the deadlines. Without new legislation, the Environmental Protection Agency (EPA) will be required by law to impose Federal Implementation Plans (FIP's) on several major American cities. Courts are, for exam- ple, already preparing to impose such re- quirements on Chicago and Los Angeles. These FIP's could involve extraordinary controls that would sharply curb economic growth and dramatically alter the lifestyles of local residents.

Over the next decade, both EPA and the Federal Highway Administration estimate that growth in automobile use will begin to outstrip reductions occurring from fleet turnover, so that VOC emissions will in- crease after 2000.

Thus, additional measures to reduce ozone-causing emissions are needed if Americans are to have air that is clean enough to meet the health standard. The President's plan sets forth these additional clean air measures.

Some measures required under current law will help reduce VOC's. These include:

- The effect of tightened automobile and truck-tailpipe emission standards, which will continue to cut emissions as older cars are replaced with new ones;
- The implementation of required in- spection and maintenance programs for motor vehicles by State and local governments;
- Volatility controls on gasoline. Earlier this year, the Bush administration re- quired a reduction of gasoline volatility to a standard of 10.5 pounds per square inch;

- Selected stationary source controls on refineries and other factories.

It is estimated that these measures will reduce VOC emissions from baseline levels by 18 percent by 2005. They will bring 23 cities into attainment by 1995, but without additional controls, increased automobile use would cause many of these to slip back out of attainment, leaving 72 cities out of attainment by 2005.

Additional Federal Measures Under the President's Proposal

In an ambitious effort to bring all cities into attainment, the President's proposals call for:

- Further tightening the volatility requirements for gasoline nationwide during the summer months to reduce evaporative emissions which cause ozone formation. This will reduce VOC emissions by an estimated 8 percent.
 - Reductions in vehicle evaporative emissions caused by automobile running losses, which will cut VOC emissions by an estimated 4.2 percent.
 - Federal regulations to control emissions from treatment, storage, and disposal of hazardous wastes, which will cut VOC emissions by 3.2 percent.
 - Providing EPA with the authority to regulate VOC emissions from small sources and consumer products, such as consumer solvents and paints, which EPA estimates will cut VOC emissions by 2.5 percent.
 - Tightening hydrocarbon emission tailpipe standards for automobiles by almost 40 percent. The current standard will be tightened to the level soon to be required on all California vehicles (from .41 to .25 grams per mile). This will cut VOC emissions by 0.4 percent.
 - A first time requirement for light duty trucks to meet the same tailpipe standard now required of automobiles (.41 gpm). This will cut VOC emissions by 0.2 percent.
 - Expanded vehicle inspection and maintenance programs in serious nonattainment areas, which will cut VOC emissions by 1.2 percent.
 - Controls to reduce evaporative emissions which occur during refueling of motor vehicles. These stage II controls would require refueling stations to install special nozzles on gasoline pumps in nonattainment areas and are expected to reduce VOC's by up to 2 percent in such areas.
- Provide EPA new authority to issue control technology guidelines (CTG's) to major stationary source emitters (factories and plants). The most cost-effective control guidelines will be issued first. These guidelines are expected to result in a 3.5 percent reduction in VOC emissions.
 - Provide for the use of alternative fuels—such as clean burning methanol, natural gas, and ethanol—in the most serious nonattainment areas. The President's plan is designed to ensure that 1 million clean-fueled vehicles per year are introduced into America's most polluted cities by the year 1997. The program will not only reduce VOC emissions by an additional 2 to 5 percent, it will dramatically reduce toxic air emissions, such as benzene, toluene, and xylene.
 - It is estimated that these new Federal measures to curb ozone pollution will add \$3 to \$4 billion in annual costs to the economy when fully implemented.

The Long-Term Clean Fuels Program

The clean fuels program proposed by the President is perhaps the most innovative and far-reaching component of his proposal. It is designed to provide a long-term reconciliation of the environment and the automobile so that Americans can continue to enjoy economic growth, freedom in using their motor vehicles, and clean air.

The administration proposes to replace a portion of the motor vehicle fleet in certain cities with new vehicles that operate on clean burning fuels. In the 9 major urban areas where current data shows the greatest concentration of ozone, the administration's plan calls for a 10-year program for the phased-in introduction of alternative fuels and clean-fueled vehicle sales according to the following schedule:

- 500,000 vehicles in 1995
- 750,000 vehicles in 1996

—1,000,000 vehicles each year from 1997 through 2004

The major metropolitan areas affected by the plan are Los Angeles, Houston, New York City, Milwaukee, Baltimore, Philadelphia, greater Connecticut, San Diego, and Chicago. If these areas are able to demonstrate that they can achieve analogous reductions in VOC's and toxic air chemicals through other measures, the plan would allow them to opt out of the clean-fueled vehicle and alternative fuels program, in which case the vehicle target numbers would be scaled down proportionately. The plan would also allow other cities to be included in the program at their request.

The President's alternative fuels program, combined with other motor vehicle and fuel measures in the plan, will shrink the contribution of vehicles to the ozone problem from the current 40 percent to 10 percent. This represents not only an alternative to some of the more disruptive driving controls currently being considered by some States but also a bold and innovative means of reconciling continued use of the automobile by a growing society with the need for cleaner air.

Effect of the Federal Measures Proposed by the President

Taken together, the Federal measures proposed by the President, combined with the effect of measures being pursued under current law, will cut ozone-causing VOC emissions nearly in half. EPA estimates the program will reduce annual emissions by 45 percent by the year 2005. In and of themselves, these measures will bring all but about 20 cities into attainment of the ozone standard.

Because of the President's commitment to ensuring clean air in *all* American cities, however, his plan calls for additional measures to be undertaken by the States in order to meet the standard for healthy air.

State Measures Under the President's Proposal

Under the President's proposal, the roughly 20 cities with the most serious ozone pollution problems would be required to take steps to cut ozone-causing

emissions by 3 percent per year beginning with enactment of the legislation.

This will guarantee that, even as more realistic deadlines for meeting the standard are set, those cities with the most significant air pollution problems will be on a steady path toward cleaner air.

Because of ozone transport, some areas may be unable to attain the standard in spite of adequate efforts to control their own pollution. Cities under 200,000 in population, which are not part of regional airsheds, but whose attainment is prevented as a result of ozone pollution transported from other cities or regions, will not be subject to sanctions under these circumstances.

Emissions Trading: Harnessing the Power of the Marketplace to Protect the Environment

The President has also directed the EPA to develop rules and regulations which will provide companies with the maximum flexibility in achieving the pollution reductions called for in his plan. Specifically, the President's plan would require the Administrator to issue regulations within 18 months to allow automobile manufacturers to engage in emissions trading and refiners to engage in fuel pooling to the maximum extent feasible. Such regulations shall establish performance standards for vehicles and transportation fuels marketed in the most serious and severe nonattainment areas. Companies would then be able to choose to engage in emissions trading and fuel pooling so long as they can demonstrate to EPA that the combination of measures they select will allow them to achieve the same emissions reductions as the control measures outlined in the President's program.

This emissions trading concept is already being considered by the State of California. It represents a market-based means of reducing both VOC's and reactive aromatics in the most cost-effective way. The EPA would publish these regulations at the same time as it publishes regulations implementing the other control measures in the President's plan. If companies cannot demonstrate alternative means of achieving the same amount of pollution reduction, they would be required to implement the control measures outlined above.

CARBON MONOXIDE

Background

Carbon monoxide (CO) is a colorless, odorless gas that tends to reduce the oxygen carrying capacity of the blood. It is a particularly serious health threat to individuals who suffer from cardiovascular disease, especially those with angina or heart disease. Unlike ozone, carbon monoxide problems are worse in cold weather.

Two-thirds of CO emissions come from motor vehicles. Emissions of carbon monoxide decreased 25 percent from 1978 to 1987, despite a 24-percent increase in vehicle miles traveled during that period, largely because of controls already in place on emissions from cars, buses, and trucks. Some improvement from these controls will continue, as older, more heavily polluting cars are gradually replaced on America's roads by newer, cleaner vehicles. Currently, cars purchased before 1981 amount to only 38 percent of the vehicle miles traveled (VMT), but they account for over 86 percent of CO emissions.

As use of the automobile continues to grow, however, it is expected that many American cities will not attain the health-based carbon monoxide standard. That standard is 9 parts per million (ppm), measured over an 8-hour period. If a representative reading of monitors in an area shows that it exceeds the standard for 2 or more 8-hour periods, it is classified in nonattainment.

There are currently about 50 American cities not meeting the standard. As with ozone, in some cases, cities exceed the standard only moderately. About six urban areas, however, have a carbon monoxide problem classified by EPA as serious.

EPA estimates that even as vehicle miles traveled (VMT) grow, the effect of fleet turnover will bring almost half of those cities currently violating the standard into attainment. Several of the measures in the President's proposal designed to curb ozone-causing emissions will also help reduce carbon monoxide. These include the measures described above to tighten tailpipe standards for light-duty trucks and to improve State and local inspection and maintenance programs.

Even with these measures, however, several American cities will continue to have a

carbon monoxide problem. To bring these cities into compliance with the health-based standard, the President's proposal contains several important measures designed to cut carbon monoxide emissions. Specifically, the President's plan calls for:

- A major new program to promote the use of clean-burning oxygenated fuels, which emit dramatically less carbon monoxide. The plan would require those cities with the most serious carbon monoxide problems to use gasoline blended with oxygenated fuels during the winter months. Oxygenated fuels include ethanol, methanol, ETBE, and MTBE. Blending oxygenates into fuel will not only reduce carbon monoxide, it will also sharply reduce toxic air emissions caused by aromatics in conventional gasoline.
- Ethanol and ETBE are generally produced in the United States from corn, wheat, and potato crops. They offer the opportunity both to clean the air and to provide expanded markets for America's farmers. The President's plan would allow cities to opt out of the oxygenated fuels requirements if they could demonstrate to EPA that they would come into attainment of the carbon monoxide standard using other measures. EPA estimates that requiring oxygenated fuels in areas with serious carbon monoxide problems will reduce carbon monoxide emissions by an additional 18 percent in these areas.
- Giving EPA the authority to issue regulations for a carbon monoxide cold temperature standard. Carbon monoxide problems are exaggerated when motor vehicles start in exceptionally cold weather. This standard has the potential to reduce carbon monoxide emissions by 7 to 12 percent.

The President's plan will bring the vast majority of cities into attainment with the carbon monoxide standard by 1995, and will bring *all* American cities into attainment by the year 2000.

PARTICULATE MATTER

Background

Particulate matter (PM10) includes acid sulfates, toxic organics and metals, and in-

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M10) includes acid and metals, and in-

soluble dusts that come from traditional stack emissions, as well as area sources such as wood stoves and open burning. Construction, roadways, and mobile sources also contribute to the problem. PM10 can cause premature death in elderly and ill persons, aggravation of existing respiratory disease, increased respiratory illness, and other effects. Particulate matter (PM10) standards were revised in 1987 to address smaller particulate matter particles most likely to penetrate the lungs.

The President's program will:

- Require reasonably available control measures to meet the standard.
- Ensure that the majority of cities meet the standard by 1994, and that *all* cities meet PM10 standards by 2001.

TOXIC AIR POLLUTANTS

Highlights

- Dramatically accelerates progress in controlling major toxic air pollutants.
- Uses best technology available to cut air toxics.
- Promises certifiable progress in regulating sources of toxic air emissions on a set schedule.

Background

The emission of toxic chemicals into the air is believed to cause cancer and other health effects in humans. Since 1974 EPA has been required to regulate such emissions in order to provide an ample margin of safety to the public. Because this margin has been difficult to define and has been the subject of continued litigation, EPA has had difficulty proceeding with regulation under the law. Since passage of the statute, it has published regulations for only seven toxic air pollutants. Because the statute has proven unworkable, the President has proposed a major revision of the law in order to guarantee greatly accelerated progress in reducing the damaging effects of toxic air pollution.

Data recently released by the EPA indicate that 2.7 billion pounds of toxic chemicals are emitted into the air each year. EPA estimates that these emissions contribute to approximately 1,500-3,000 fatal cancers an-

nually. Toxic chemical emissions are associated also with respiratory disease and birth defects. Motor vehicles and stationary sources each account for approximately half of air toxic emissions. The measures in the President's plan designed to curb VOC emissions and promote alternative fuels will sharply reduce emissions from motor vehicles.

The President's plan also includes a major new initiative to reduce air toxic emissions from stationary sources (factories, plants, and other such sources). A majority of identified carcinogens are emitted by about 30 industrial categories, including steel mills (coke ovens), rubber, pulp and paper, chromium electroplating, and solvent users. The President's plan is designed to reduce quickly emissions from these sources.

The President's program will:

- Establish a set schedule for regulating major sources of toxic air pollution. Under the plan, EPA will publish regulations for controlling 10 source categories within 2 years, 25 percent of source categories within 4 years, 50 percent of source categories within 7 years, and all necessary additional categories of air toxics within 10 years.
- Require emitters of toxic air pollution to use the Maximum Available Control Technology (MACT) to sharply cut pollution. This means that EPA would set a standard based on the best technology currently available. Plants would then be required to meet that standard, with some exceptions to add flexibility for those who have already reduced most air toxics and for very small plants.
- Encourage voluntary reductions early, before standards are even published, by providing credit for those reductions against the MACT requirement.
- After Phase I is implemented, the EPA Administrator shall assess any remaining risk after reductions from state-of-the-art technology and determine if there is a need for further controls. Based on his assessment, the EPA Administrator would set additional standards to prevent the public from being

exposed to unreasonable risk, which would allow considerations of cost and technical feasibility as well as health-based risks.

It is estimated that the President's air toxics initiative will eliminate in the first phase about three-quarters of the cancer deaths caused by toxic air emissions from factories and plants. The annual costs of the program are difficult to estimate until actual standards are published, but current EPA estimates center at about \$2 billion per year.

**Designation of Kenneth M. Carr as
Chairman of the Nuclear Regulatory
Commission**

June 12, 1989

The President has designated Kenneth M. Carr as Chairman of the Nuclear Regulatory Commission, effective July 1, 1989. He would succeed Lando W. Zech, Jr.

Since 1986 Commissioner Carr has served as a member of the Nuclear Regulatory Commission. Prior to this, he served in the U.S. Navy as Deputy and Chief of Staff to the Commander in Chief, Atlantic Command, and the Commander in Chief of the U.S. Atlantic Fleet, retiring as a vice admiral in 1985. From 1977 to 1980, he commanded the submarine force of the Atlantic Fleet and served as Vice Director of Strategic Target Planning at Offutt Air Force Base, NE. In 1972 he was assigned as chief of staff to the commander of the submarine force of the Atlantic Fleet, and in 1973, assumed duties of military assistant to the Deputy Secretary of Defense. Commissioner Carr enlisted in the Navy in 1943.

Commissioner Carr graduated from the U.S. Naval Academy in 1949. He has received the Distinguished Service Medal, the Legion of Merit, Presidential Unit Commendation, and Defense Distinguished Service and Meritorious Service Medals. He was born March 17, 1925, in Mayfield, KY. He is married to Molly Pace of Burkesville, KY.

**Remarks to Students at the Teton
Science School in Grand Teton
National Park, Wyoming**

June 13, 1989

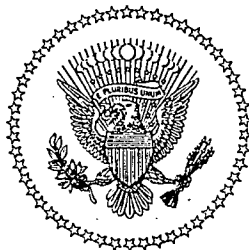
Sorry, Manuel mentioned my birthday. It's so nice to be in Wyoming. Nobody, not one person—your Governor, the Senators, our new Congressman—no one has said, And now you can ride the subway in Jackson Hole for half fare. *[Laughter]* I'm delighted, and thank you for your tolerance. But, Manuel, thank you for that warm introduction. Secretary Lujan and I served in Congress. And I liked very much what Lorraine said about him, and I know he'll do a first-rate job with all the responsibilities that the Secretary of the Interior has. I want to thank all of you for one of the best birthday presents a person could possibly have, and that was going fishing yesterday on Lake Jackson with my grandson. The score: caught six, ate two. Not bad for 45 minutes worth of work out there.

And I am really thrilled to be here. I'm just sorry that the Silver Fox is not here. That's my wife, Barbara. But some have inquired about her health, and she's doing very well, thank you. And she's off doing the good works for literacy in New York City, I think it is, this evening. I wish she were here. She was with me last time, and she'll never forget your hospitality either.

I want to thank Governor Sullivan, who showed us the extraordinary courtesy of coming over across the line into Montana to greet us yesterday and—*[laughter]*—was with us here and then had his beautiful daughter come out, and we could see a little more of that wonderful Sullivan family. I'm glad that Senator Malcolm Wallop, a friend of longstanding, is with us. Our new Congressman who's going to do a great job for this State, Craig Thomas, is here. And then I had to put up with *[Senator]* Al Simpson. *[Laughter]* You see, every January or so, he and I go fishing, but not in Wyoming. And we have to listen for two straight nights to him lying about Wyoming fishing to those of us fishing in Florida. *[Laughter]* But nevertheless, I'm glad he's here. And I also want to just single out another friend, a friend of my dad's, a friend of mine, who I'm told is here. And I

Weekly Compilation of

Presidential Documents



Monday, April 10, 1989
Volume 25—Number 14
Pages 465-511

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ate to the needs of individual communities.

(6) A *National Science Scholars* program would provide scholarships to high school seniors who have excelled in the sciences and mathematics. These scholarships, of up to \$10,000 a year, would recognize recipients' academic achievement and encourage them to continue their education in science, mathematics, and engineering. The President would select recipients after considering recommendations made by Senators and Members of the House of Representatives.

(7) I am proposing to provide additional endowment matching grants for *Historically Black Colleges and Universities*, institutions that occupy a unique position and have a major responsibility in the structure of American higher education.

I urge the Congress to take prompt and favorable action on this legislation. Taken together, these seven initiatives, for which I have proposed adding \$422.6 million in the 1990 budget, would help us advance toward the goal of a better-educated Nation.

In addition to these initiatives, I have proposed a budget amendment for \$13 million in new funds for experiments and data collection in support of education reform. I am also asking the Congress to fund fully the authorization in the Stewart McKinney Homeless Assistance Act. This includes \$2.5 million to fund for the first time the Exemplary Grants program and \$2.7 million in additional funding for literacy programs for homeless adults.

George Bush

The White House,
April 5, 1989.

White House Fact Sheet on the Educational Excellence Act of 1989 April 5, 1989

The President outlined today a program for fostering excellence in education. The need for reform is evident:

- America is in an increasingly competitive world, where investment in people, in human capital, is becoming

a critical factor in a country's potential for economic growth and prosperity.

- Many of our young people are performing well below their capacity and below the levels of young people in other countries in such important subjects as science and math.
- Outstanding achievement by schools, teachers, and principals too often goes unrecognized and unrewarded.
- Achieving excellence in education requires high expectations, low dropout rates, and safe and drug-free schools.
- Parents lack adequate choice in the education of their children.
- Schools often find that it is difficult to hire capable teachers and administrators, even though many people possess outstanding subject matter knowledge and management skills.
- Projections of the future indicate an increasing shortage of people with advanced training in science and mathematics.
- Our country's historically black colleges and universities struggle to maintain their commitment to educational excellence.

The Educational Excellence Act would authorize several initiatives designed to address these problems.

This legislation builds on the accomplishments of the last Congress, which enacted into law the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988. That law took significant steps toward improving elementary and secondary education by improving program accountability, reauthorizing the magnet school program, and expanding parental choice, providing greater flexibility to local school districts in the implementation of bilingual education programs, enhancing parental involvement in programs for disadvantaged children, and stimulating education innovation and reform. The President's initiative proposes new efforts, but complements in numerous ways the important work of the 100th Congress in pursuing educational excellence.

This legislation is based on four basic principles. These are:

1. *Recognition of Excellence.* Recognizing and rewarding our best schools, teachers,

and students will serve as an incentive for all schools, teachers, and students to improve their performance.

2. *Addressing Need.* This administration believes that Federal dollars should assist those most in need.

3. *Flexibility and Choice.* Greater flexibility and choice in education, both parental choice in selecting schools for their children and local school systems' choice of teachers and principals, are important to providing the means and incentives for achieving educational excellence.

4. *Accountability.* The administration supports objective measurement and reward of progress toward quality education.

The Educational Excellence Act includes seven legislative initiatives aimed at fulfilling these important principles. Highlights of the individual initiatives follow.

PRESIDENTIAL MERIT SCHOOLS

Program

- The Presidential Merit Schools program would provide cash awards to public and private elementary and secondary schools that have made substantial progress in raising student educational achievement, creating a safe and drug-free school environment, and reducing the dropout rate. This program would provide a powerful incentive for all schools to improve the educational achievement of their students.

Funding

- The legislation would authorize \$250 million for fiscal year 1990, increasing to \$500 million by 1993. These funds would be allocated by formula to the States, with State allocations based on school-aged population and State shares of funding under the Chapter 1 Basic Grants program.
- The amount of each merit award would depend on State-established criteria, including criteria related to the size of the school and the composition of the student body.

Implementation

- Presidential Merit Schools would be selected by the State, assisted by a special State review panel, using State and

Federal criteria. These criteria would focus on schools' progress in improving students' educational performance, creating or maintaining a safe and drug-free environment, reducing the dropout rate, and other State-determined factors. States could also give special consideration to schools enrolling substantial numbers or proportions of children from low-income families.

- A school selected as a Presidential Merit School would use its award for any purpose that furthers its educational program, including development or implementation of special educational programs, purchase of computers and other materials and equipment, and bonus payments to teachers and administrators. Private schools would be prohibited from using Presidential Merit Schools funds to provide religious instruction or for other sectarian purposes.
- The bill would also prohibit the reduction of other Federal, State, or local support to a school because of its receipt of a Presidential Merit Schools award.

MAGNET SCHOOLS OF EXCELLENCE

Program

- Currently, the Department of Education makes Magnet Schools Assistance grants to school systems undergoing court-ordered or voluntary desegregation. Because of the success of magnet schools in increasing parental choice and improving educational quality, the bill would create a Magnet Schools of Excellence program to support the establishment, expansion, or enhancement of magnet schools, without regard to the presence of desegregation plans.

Funding

- The bill would authorize \$100 million for Magnet Schools of Excellence for fiscal year 1990 and each of the 3 succeeding fiscal years.

Implementation

- Local educational agencies (LEAs), intermediate educational agencies, or

consortia of directly to petitive gra selected for quality of t likelihood of tion, and th ening the e district or di

- The Depart tions th of educatio dren to be; programs ar expand, or which enhan tional offerir
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ALTERNATIVE C ERS AND PRINCIP

Program

- The bill wo States intere of talent fro and princip such activiti velopment, would provi develop, exj certification into educat with demons tence or leac

Funding

- The legislat million for one-time gr would apply they need or tional to the whichever i be reallocate strated need

Implementation

- Grants could opment, imj evaluation of

the criteria would focus on improving performance, creating a safe and drug-free environment, and also give special consideration to enrolling subgroups of children and families.

As a Presidential award, its award for excellence in education, development or special educational needs, computers and equipment, and teachers and administrators would be eligible for Presidential awards to provide relief from other sectarian

to prohibit the reduction of State, or local funds because of its real Merit Schools

EXCELLENCE

Department of Education Schools Assistance programs undergoing voluntary desegregation success of magnet schools, parental choice, educational quality, the Magnet Schools of America to support the establishment, or enhance schools, without the use of desegregation

to receive \$100 million of Excellence for each of the 3 suc-

cesses (LEAs), initial agencies, or

consortia of such agencies would apply directly to the Department for competitive grants. Applications would be selected for funding on the basis of the quality of the proposed project, the likelihood of its successful implementation, and the likelihood of its strengthening the educational program of the district or districts.

- The Department would encourage applications that recognize the potential of educationally disadvantaged children to benefit from magnet school programs and applications to establish, expand, or enhance magnet schools which enhance the diversity of educational offerings to students.
- No magnet school could be supported under the program for more than 2 years or if the award would result in segregation or impede the process of desegregation.

ALTERNATIVE CERTIFICATION OF TEACHERS AND PRINCIPALS

Program

- The bill would provide assistance to States interested in expanding the pool of talent from which to draw teachers and principals. Funds would support such activities as training, program development, and evaluation. The bill would provide incentives for States to develop, expand, or improve flexible certification systems designed to draw into education talented professionals with demonstrated subject-area competence or leadership qualities.

Funding

- The legislation would authorize \$25 million for fiscal year 1990 only, for one-time grants to the States. States would apply for the amount of funds they need or an amount that is proportional to their school-aged population, whichever is less; excess funds would be reallocated on the basis of demonstrated need.

Implementation

- Grants could support the design, development, implementation, testing, and evaluation of strategies for the alterna-

tive certification of teachers and principals, as well as training and recruitment activities.

- States would be required to consult with teachers, principals, parents, and others in developing their applications. Subgrants to school districts, intermediate educational agencies, colleges and universities, and consortia of these agencies would be authorized.

PRESIDENT'S AWARDS FOR EXCELLENCE IN EDUCATION

Program

- The success of American education depends heavily on the Nation's teachers. Because teachers who meet the highest standards of excellence deserve public recognition, respect, and appropriate financial rewards, our bill includes authorization for a new program of Presidential awards for excellent public and private school teachers. The amount of each Presidential award would be \$5,000. Teachers receiving awards would be permitted to use their awards for any purpose.

Funding

- The bill would authorize \$7.6 million for each of the fiscal years 1990 through 1993. Funds would be allocated to the States on the basis of the number of full-time equivalent public school teachers in each State.

Implementation

- In each State, winners of Presidential awards would be selected by a statewide panel, selected by the Governor, from nominations made by local educational agencies, public and private schools, parents, teachers, teacher associations, associations of parents and teachers, private businesses, business groups, and student groups. In making selections, the panel would use selection criteria developed by the State, subject to approval by the Secretary.
- Each State would be permitted to use up to 5 percent of its allocation for administrative expenses, including the cost of convening the statewide panel.

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 and mathematics and engineering. The scholarships would recognize the academic achievement of these students and would encourage them to continue their education in these academic areas at the postsecondary level.

Funding

- The bill would authorize \$5 million for fiscal year 1990. The amount authorized would increase in increments of \$5 million per year to a total authorization of \$20 million for fiscal year 1993. These funding levels would ensure that the scholars would be supported throughout their undergraduate study and that a new group of 570 scholars would be selected each year.

Implementation

- National Science Scholars would receive up to \$10,000 a year for each year of undergraduate education.
- Each State would nominate between 4 and 10 students per congressional district to receive scholarships. The President would select a total of 570 scholars, after considering the recommendations of an advisory board (30 scholarships) and the recommendations of Senators and Members of the House of Representatives (540 scholarships). The scholars would be nominated in accordance with specific academic achievement criteria that would be developed by the Secretary in consultation with a panel of experts in the sciences, mathematics, and engineering.

DRUG-FREE SCHOOLS URBAN EMERGENCY GRANTS

Program

- Prevention and education programs are frequently inadequate in urban areas with the most severe drug problems. More concentrated and comprehensive approaches are required. The

bill would amend the Drug-Free Schools and Communities Act of 1986 to authorize a program of Urban Emergency Grants.

Funding

- The bill would authorize \$25 million for each of the fiscal years 1990-1993 for Urban Emergency Grants.

Implementation

- This amendment would authorize a small number of special, competitive grants to urban districts that have the most severe drug problems so that these districts can develop and implement comprehensive approaches to solving those problems.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Program

- Historically Black Colleges and Universities (HBCU's) play a vital role in the American system of higher education. In the past, these institutions offered many Black Americans their only opportunity for a higher education. Today HBCU's enrich the range of educational choice. These institutions enroll approximately 220,000 students.
- Many HBCU's are financially weaker than comparable institutions. This bill would strengthen HBCU's by providing additional support for endowment matching grants. Endowment building is an especially effective way to create financial strength and long-term financial security for HBCU's.

Funding

- The bill would provide additional authorizations of \$10 million for fiscal year 1990, \$20 million for both fiscal year 1991 and fiscal year 1992, and \$10 million for fiscal year 1993.

Implementation

- Federal funds would be available to match private sector contributions to the school's endowment fund. Income from the endowment fund could be used to improve academic programs as well as administrative management.
- All HBCU's currently eligible under

title III of the 1965 would grants.

Message to the Annual Re Activities in Science April 5, 1989

To the Congress

In accordance Relations Authc 1979 (Public L... ting the annual tivities in science Fiscal Year 1988

I firmly believe vances of the 21 research and formed in labor today. Innovative sources and private, to scientific vances are essential. Our future well ent upon the co ogy from basic goods and services.

Over the past linkage of our terprise to our ness—has become United States. I have challenged to an open, unifying that such R&D results to cialization and States. I, and P believe that the our global comp by international and development, and actively promote lateral fora and partners and tries.

For example, FY 1988 was w ment for key tl Executive Ord 1987, on "Facili

title III of the Higher Education Act of 1965 would be eligible to apply for grants.

Message to the Congress Transmitting the Annual Report on International Activities in Science and Technology
April 5, 1989

To the Congress of the United States:

In accordance with Title V of the Foreign Relations Authorization Act for Fiscal Year 1979 (Public Law 95-426), I am transmitting the annual report on international activities in science and technology (S&T) for Fiscal Year 1988.

I firmly believe that the economic advances of the 21st century are rooted in the research and development (R&D) performed in laboratories around the world today. Innovation and dedication of resources and people, both public and private, to scientific and technological advances are essential to economic progress. Our future well-being as a nation is dependent upon the continuous transfer of technology from basic science into commercial goods and services.

Over the past 5 years, this concept—the linkage of our science and technology enterprise to our future global competitiveness—has become a dominant theme in the United States. Because of this linkage, some have challenged our historical subscription to an open, unimpeded R&D system, claiming that such a system transfers valuable R&D results to other countries for commercialization and eventual sale in the United States. I, and President Reagan before me, believe that the United States benefits, and our global competitive position is improved, by international cooperation in research and development based on balance, reciprocity, and comparable access. We have actively promoted this policy through multilateral fora and bilaterally with our trading partners and advanced developing countries.

For example, a major accomplishment of FY 1988 was winning multilateral endorsement for key themes of President Reagan's Executive Order No. 12591 of April 10, 1987, on "Facilitating Access to Science and

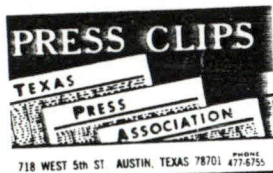
Technology." At the Ministerial Meeting of the Organization for Economic Cooperation and Development (OECD) in Paris in May 1988, the ministers endorsed a new framework of common principles for international S&T cooperation, originally introduced by the President's Science Adviser, Dr. William R. Graham. The framework endorses adequate investment and excellence in basic sciences; reciprocity and balanced access as a solid foundation for science and technology cooperation; improved universal protection of intellectual property rights (IPR); and effective protection of sensitive knowledge. I am convinced that the new OECD framework establishes a firm, future-oriented foundation for sustainable cooperation in science and technology.

On the bilateral front, under the guidance of the Economic Policy Council, the Administration developed a coordinated policy to reshape our S&T relationship with Japan based on the principles of shared responsibilities, equitable contributions, adequate protection and fair disposition of intellectual property rights, acknowledged security obligations, and comparable access to government-sponsored and -supported R&D facilities and programs. The culmination of this effort came in Toronto in June 1988, when President Reagan and Prime Minister Takeshita signed the new umbrella S&T Agreement. We view this as a model agreement and now are incorporating its principles into all our science and technology bilateral agreements.

Maintenance of our global competitiveness requires adequate and effective protection and equitable allocation of intellectual property rights. The commercial development of a new technology requires large investments of time, money, and talent. Continued investments in research and development require the ability to derive economic benefits from the new technology. Therefore, in FY 1988, we initiated numerous bilateral and multilateral dialogues on the benefits accruing to all partners from effective protection and equitable disposition of IPR.

With the view that balanced and reciprocal cooperation in S&T benefits the United States and the world at large, at the December 1987 Washington Summit, Presi-

Leader on Galveston Bay Estuary Program



Post
Houston, Texas

OCT 11 1989

Estuary effort should limit Galveston Bay abuse: Gramm

BY HAROLD SCARLETT
POST ENVIRONMENT REPORTER

Sen. Phil Gramm, R-Texas, said Tuesday the new federal-state program to preserve Galveston Bay should block the kinds of environmental abuses that proved nearly fatal to Chesapeake Bay.

"We are now spending tremendous amounts of money to deal with the problems in Chesapeake Bay that have been building for many years," Gramm said.

"The National Estuary Program is an effort to see we don't make the same mistakes with our other estuaries."

Gramm spoke at the formal signing of a federal-state agreement to carry out the Galveston Bay National Estuary Program.

The program calls for comprehensive

studies of the bay and development of a long-range management plan over the next five years.

The signing took place in a sunlit atrium at the University of Houston-Clear Lake before an assembly of program members, government officials and guests.

Gramm said the estuary program officials, scientists and citizen members can study the threats to the bay and the costs of abatement and come up with a management plan that makes both environmental and economic sense.

Neither Gramm nor several other speakers directly mentioned the hotly debated proposal by the Army Corps of Engineers and the Port of Houston Authority to widen and deepen the Houston Ship Channel.

Critics have charged the big dredging project could badly damage the bay's seafood production and recreational value.

Port officials say it is needed to improve navigational safety and attract new port traffic.

The corps has agreed to check the project for "consistency" with the estuary management plan, but will not delay the channel project for completion of the bay plan.

Asked by reporters about the dredging project after his speech, Gramm was non-committal. He said he would like to have all the available facts before making any decision.

Gramm said he would be monitoring the "important" Nov. 7 voting on a \$130

million bond issue to pay the local cost of the first-step channel enlargement to 45 by 530 feet.

But he noted this would be just the first step in a "stairstep of decisions."

Gramm said the estuary program should develop facts and data about Galveston Bay that could eliminate future disputes over issues such as the dredging project.

He noted the Galveston Bay program is receiving \$1.05 million in federal funds for fiscal 1990 to start developing the management plan. The Texas Legislature earlier this year approved \$396,000 in fiscal 1990 funds for the estuary program and \$426,000 for fiscal 1991.

Robert Layton Jr., regional administrator for the Environmental Protection Agency,

said the estuary program has made substantial progress since it was announced last year in Galveston.

"Today's agreement sharpens the focus of the commitment," he said.

Buck Wynne III, chairman of the Texas Water Commission, said the bay provides \$7.4 billion in direct and indirect benefits to the state. He said these include jobs in industries around the bay, the bay's yield of fish and shellfish, its recreational value and the improved quality of life it provides.

Wynne is chairman of the estuary program's governing policy committee, and Layton is vice chairman.

Wynne said signing of the estuary agreement means "we're on the way to a very bright future for Galveston Bay indeed."



~~CLIPPING~~

environment

Sun
Texas City, Texas

SEP 14 1980

View of the Sun

Bay studies get applause

To some observers, Galveston Bay is beyond the point where it can be saved from the ravages of industrial development and pollution.

But to others, there remains hope that this vital resource can be restored to a healthier level so that its ability to provide future generations with beauty and productivity will not be impaired.

We are heartened by news from Sen. Phil Gramm that funding for several programs beneficial to Galveston Bay has made its way through Congress.

First, the U.S. Environmental Protection Agency will receive \$1 million to continue its Gulf of Mexico program, launched last year to identify existing and future pollution problems.

Second, the Sea Grant Program working out of Texas A&M at Galveston has been assured funding, which accounts for \$41 million nationwide. That program aims to preserve the gulf's divergent marine resources while finding new ways to use those resources.

And third, Gramm noted that EPA would receive \$750,000 for its National Estuary Program to study the health of Galveston Bay. Last year political leaders and environmentalists convinced Congress to include Galveston into the estuary program because of the major role the bay plays in the development of marine life, and the serious threat pollution places on its future.

All of these programs will help determine what is wrong with Galveston Bay, and how best to save this body of water for future generations.

But all the studies in the world will be meaningless if they lack strong provisions for fines and enforcement, and a commitment from Congress and the Bush administration to see the bay recovery through.

President Bush can take an active role in saving the most important body of water in his adopted state. Or he can sit back and in four years, let his challengers hang this environmental failure around his neck.

Mr. President, don't let Galveston Bay become your Boston Harbor.

enviro



Post
Houston, Texas

OCT 27 1987

Coast Guard official to propose garbage ban

By KATHY KIELY
Post Washington Bureau

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Texas officials seek to prohibit dumping in Gulf of Mexico

WASHINGTON — Following a hearing in which Texas Republican Sen. Phil Gramm joined Democrats and environmentalists to call for an end to garbage dumping in the Gulf of Mexico, a top Coast Guard official said Monday he will tentatively propose such a ban next month.

U.S. Coast Guard Adm. William Kime said he would present the International Maritime Organization with a report commissioned by Texas Land Commissioner Garry Mauro that supports designating the Gulf of Mexico as a "special area," where ships would be barred from dumping any waste, no matter how far from land.

Kime indicated he may be willing to consider an exception to allow shrimpers and other small commercial vessels to dump ground-up foodstuffs as long as they are at least three miles out to sea.

The Port of Houston, whose executive director last week publicly criticized the dumping ban, was a virtual no-show at the hearing. A representative of the port showed up at the outset of the proceedings, but did not speak and left well before they were concluded.

It was not clear whether the port is backing down from its position, which placed it in opposition to both of Texas' U.S. senators, the Texas land commissioner and the Port of Corpus Christi. Port officials did not address the question of the dumping ban in a telegram they sent Kime Monday.

Neither they nor their Washington representative returned phone calls from Houston Post reporters.

In the telegram, the port authority merely expressed support for an international treaty which, if the United States ratifies it in the next few weeks, will ban the dumping of plastics and strictly limit the

dumping of other types of garbage in the world's oceans.

The hearing, however, was not about the treaty — which is not controversial and which is considered certain to be ratified — but about the proposal to take it one step further in the Gulf of Mexico and ban garbage dumping there altogether.

Kime favors putting the International Maritime Organization on notice that there is "substantial support" in the United States for banning the dumping of garbage in the Gulf of Mexico when the group holds its annual meeting in London at the end of November.

However, he said he would like to wait until the next meeting, scheduled for September 1988, to formally request a dumping ban.

That would give the Coast Guard, along with interested environmental and industry groups, time to develop data on costs and

benefits — information that will be necessary, Kime said — to convince other nations, particularly Cuba and Mexico, that it will be worth their while to support the ban.

Neither Cuba nor Mexico is a signatory to the anti-pollution accord the International Maritime Organization supervises, but Coast Guard officials said their cooperation, particularly in providing waste disposal facilities at their ports, will be key to cleaning up the Gulf of Mexico.

Proponents of the dumping ban argue that the gulf's relatively enclosed configuration and prevailing currents result in massive amounts of garbage being dumped on Texas beaches. More than 300 tons were picked up in a volunteer effort last month. The litter, particularly the plastic variety, also has been implicated in the deaths of millions of marine mammals and birds.

The Port of Corpus Christi already provides some waste disposal services for ships calling there, and is planning to expand, according to its representative, Floyd Buch. "We feel it's not that heavy a price to pay to clean up our beaches," he said.

Gramm, who said a weekend tour of Galveston beaches convinced him garbage pollution is "a genuine problem," was not persuaded that the dumping ban would hurt the Port of Houston.

"I have never believed that protecting the environment and economic growth have to be conflicting goals," he said. "I am convinced that working together, the government and the private sector, we can come up with a way to deal with the problem."

Although neither organization spoke at Monday's hearing, Kime said he received verbal and written comments earlier from the Port of

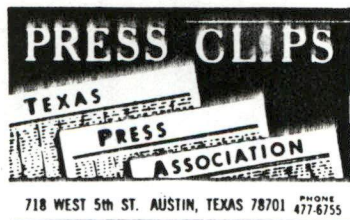
Houston and the Houston Pilots Association expressing opposition to a dumping ban. Both groups, Kime said, fear it would drive business away to East Coast ports.

Representatives of several maritime associations, including the National Association of Stevedores, echoed the Port of Houston's worries about the economic impact of the proposed dumping ban. But they were relatively lonely voices in a hearing that, as one participant put it, produced a "Texas landslide" in favor of making the gulf a no-dumping zone.

Coast Guard officials said they had received well over 50 letters about the proposed ban. The correspondence — which included a letter of endorsement signed by Sen. Lloyd Bentsen, D-Texas, and senators from Alabama, Louisiana and Florida — was "overwhelming" in favor, according to Kime.

Post reporter Kate Thomas contributed to this story.

envir.



Enterprise
Beaumont, Texas

MAR 2 1988

Federal budget includes needed offshore treaty

Buried deep within President Reagan's proposed 1989 budget is an item that may not cost a lot of money but may contribute greatly to the well-being and livability of the Texas and Louisiana coasts.

Reagan has proposed spending \$500,000 to begin enforcing an international treaty that bans the offshore dumping of garbage. It is the MARPOL treaty that the U.S. Senate ratified this past year. The treaty bans the overboard disposal of plastic items within 200 miles of U.S. coastal waters; moreover, the treaty prohibits U.S.-flag ships from dumping plastics anywhere in the world.

The money, if approved by Congress, would pay for an additional 23 Coast Guard positions, including eight dedicated specif-

ically to enforcing the MARPOL treaty, which becomes effective at the end of this year.

Sen. Phil Gramm, R-Texas, applauded the president for requesting the funds, adding that the Texas shoreline has "become a dumping ground for plastic trash thrown overboard by ships." That plastic, much of which is non-biodegradable, kills marine animals that consume it.

The littering is costly and is unsightly and the nation needs to devote attention to the problem. Texas is beginning to do its share, with state officials calling for clean beaches in the name of environmental protection and economic development.

The Reagan administration now is joining that effort. Let us hope the money dedicated to protecting the nation's coasts survives the budget's trek through Congress.

Laredo Morning Times
September 14, 1989
A-2
CNR

Laredo Morning Times Thursday, September 14, 1989

1/State

Panel votes to help build N.L. sewer treatment plant

From staff and wire reports

WASHINGTON — A Senate panel has approved \$7.5 million for two Laredo federal projects involving Rio Grande cleanup and the new Department of Veterans Affairs outpatient clinic, U.S. Sen. Phil Gramm, R-Texas, announced Wednesday.

The Senate appropriations panel has agreed to spend the money to clean up raw sewage pollution in the Rio Grande, which is so dirty south of Laredo the water is unsafe to touch, says Sen. Phil Gramm.

"The pollution of the Rio Grande is the most severe environmental problem in Texas and this is a major step toward dealing with it," said Gramm, R-Texas, a member of the appropriations subcommittee that approved the funds Tuesday.

The money would be used to begin construction of a \$44 million sewage treatment plant in Nuevo Laredo, Mexico, across the border from Laredo.

Gramm was at the signing of an agreement last month in Laredo at which U.S. and Mexican officials pledged to build the plant, four years after the issue first arose in Congress.

"Cleaning that river up and treating the raw sewage dumped into the river is a problem we have to solve and we are on the way to doing just that," said Sen. Lloyd Bentsen, D-Texas. "I can't think of a more worthwhile project than the construction of sewage treatment facilities for the border area."

Under the plan, Texas would spend \$2 million to build the plant,

Mexico would spend \$22 million, and the U.S. government would spend \$20 million.

Gramm said a failure to deal with the river's pollution could ultimately threaten economic development, tourism and public health on both sides of the border.

The river is polluted by discharges of industrial waste and raw sewage totaling more than 20 millions of gallons a day. Downstream from Laredo and Nuevo Laredo, is considered the most polluted stretch of water, which is dangerous to even touch, much less drink, Gramm has said.

The plant would treat 25 million gallons of sewage a day, Gramm's office said.

According to a release issued by Gramm's office, the Senate Appropriations subcommittee, which has jurisdiction of the State Department and VA, the panel gave the nod to disbursement of some \$7.5 million for river cleanup and \$582,000 for the veterans clinic.

Completion date for the \$40 million plant is expected by July 1992 pursuant to a cleanup agreement signed by U.S. and Mexican officials in August.

Gramm said the clinic funding will go toward purchase of equipment, hiring of employees and other general start-up costs, with a hoped-for operational date of March 1990.

He noted that the new clinic will provide a variety of health care services to an estimated 11,500 veterans in Dimmitt, LaSalle, Jim Hogg, Duval, Maverick, Zapata, Zavala and Webb counties.

A full Senate vote is likely within the next two weeks, he added.

"The new clinic will be extremely beneficial to veterans in these eight counties who now have to travel up to 150 miles away to either San Antonio or Corpus Christi to receive needed medical care," Gramm said.

Gramm's office also announced the award of a \$229,343 grant to SER Jobs for Progress in Dallas by the Department of Health and Human Services.

The funding is being provided by the Family Support Administration for assistance to migrant and seasonal workers in Laredo, Eagle Pass, Del Rio, Carrizo Springs, Rio Grande City and Pearsall.

The Family Support Administration serves as the adviser to the Department of Health and Human Services on efforts to serve America's children and families, especially low-income families and directs and coordinates programs with the Assistant Secretary of Labor for Employment and Training.

Sewage plant aid for border OK'd

By Bruce Tomaso
Staff Writer of The Dallas Morning News

A measure paving the way for Texas to help solve one of the worst pollution crises along the U.S. border with Mexico was tentatively approved Thursday by the state House of Representatives.

The bill would allow the use of \$2.2 million in state funds to help build a sewage treatment plant for the Mexican city of Nuevo Laredo.

The burgeoning, impoverished city, just across the Rio Grande from Laredo, Texas, has no means of treating its sewage. As a result, an estimated 24 million gallons of raw human waste are dumped daily into the river, which both Laredos use for drinking water.

The International Boundary and Water Commission, a binational agency, has proposed constructing a \$44 million waste treatment plant for the Mexican

Please see SEWAGE on Page 30A.



718 WEST 5th ST. AUSTIN, TEXAS 78701 477-6755

Morning News
Dallas, Texas

MAY 5 1989

Sewage plant aid gets 1st House OK

Continued from Page 23A.

city. The international project, to be completed in about four years, would be financed with \$22 million from the Mexican government, \$19.8 million from the U.S. government and \$2.2 million from Texas.

At a congressional hearing last month in Washington, U.S. Secretary of State James Baker endorsed the project. 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.

Mexican officials have been supportive of the project, but have not yet appropriated or committed to coming up with their \$22 million share, said Manuel R. Ybarra, U.S. secretary for the border commission.

"Negotiations with the Mexican government are continuing, but when we will have a firm decision from them, I don't yet know," he said.

The sewage treatment plant envisioned by the international commission would have a capacity of 31 million gallons a day — enough to meet Nuevo Laredo's projected needs until the year 2010 — Mr. Ybarra said.

A strong supporter of the project is U.S. Sen. Phil Gramm, R-Texas. He noted that fecal bacteria counts in the Rio Grande downstream from Nuevo Laredo sometimes are 1,400 times as high as the level considered safe for human contact.

"We're not talking about drinking the water. We're talking about touching it," Mr. Gramm said at last month's congressional hearing.

The Texas measure will go to the state Senate if, as expected, the House grants final approval on Friday. It was sponsored by Rep. Henry Cuellar, D-Laredo, and says that "serious health and sanitation problems face the people of this state" from sewage discharges into the Rio Grande.

According to the Texas Department of Health, Laredo's per-capita rate of hepatitis A, one of several infectious diseases associated with impure water, is more than twice the state or national average.

Mr. Cuellar's bill would not directly appropriate the state's \$2.2 million share of the Nuevo Laredo project. Rather, it would amend state law to make the federal government — in this case, the U.S. section of the International Boundary and Water Commission — eligible to receive grants from existing state funds for water projects.

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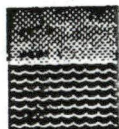
involved at the beginning

TUESDAY, AUGUST 18, 1987/A7.

SAN ANTONIO LIGHT

TEXAS

Gramm plans bill to fight Rio Grande pollution



WASHINGTON (AP) — Human waste dumped into the Rio Grande is turning the Valley's water source into an open sewer, said Sen. Phil Gramm, who plans to introduce legislation calling for a U.S.-Mexican cleanup.

"Some border cities are routinely forced to take drinking water upstream from the major pollution points, but, increasingly, there simply is no escape from contamination," the Texas Republican said in a statement.

Though no comprehensive study of the

river's pollution problem has been undertaken, Gramm said it is estimated that between 12 to 15 billion tons of raw sewage are dumped into the river each year between El Paso and Brownsville.

"If eventually forced to abandon the Rio Grande, a city like Brownsville would have to reach more than 100 miles overland to find the nearest supply of clean water at enormous expense to the people of the Valley," Gramm said.

His bill would authorize the U.S. secretary of state to negotiate with the Mexican Ministry of Foreign Relations a set of

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Some border cities are routinely forced to take drinking water upstream.

— SEN. PHIL GRAMM

Discussing Rio Grande contamination

99

agreements to include a long-term examination of the river's water quality and the

joint building of water treatment facilities.

Gramm wants the International Boundary Water Commission to supervise the planning, construction, operation and maintenance of waste treatment plants.

The Texas senator, who co-authored the landmark Gramm-Rudman budget-balancing act, is willing to have the United States help pay for cleaning up the river in his home state.

"The time is now to begin a comprehensive effort to eliminate the contamination that threatens the health and safety of peo-

ple all along the border," Gramm said.

Reps. Solomon Ortiz, D-Corpus Christi, and Albert Bustamante, D-San Antonio, likely will push for similar legislation in the House.

Earlier this month, the pair told a group of visiting Mexican officials that the pollution problem is worsening because maquiladoras, manufacturing operations with plants on both sides of the border, are attracting unemployed workers from the interior to the border.

Gramm said he will introduce his bill when Congress reconvenes in September.

policy REVIEW

Fall 1989

Number 50

\$4.50

SDI and Its Enemies
Vice President Dan Quayle

Can Republicans Take Congress?
Senator Phil Gramm

The Contras' Culture of Dependency
F. Andy Messing Jr. and Allen B. Hazelwood

Gimme (Affordable) Shelter
William Tucker

Chiang Kai-shek Laughs Last
Leonard Unger

Adam Smith's Welfare State
Adam Meyerson

The "X" Communication of Burton Yale Pines
Jeane J. Kirkpatrick, Fred C. Ikle, Paul M. Weyrich,
William F. Buckley Jr., Angelo Codevilla, Jack Wheeler,
Alan Bernstein

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?

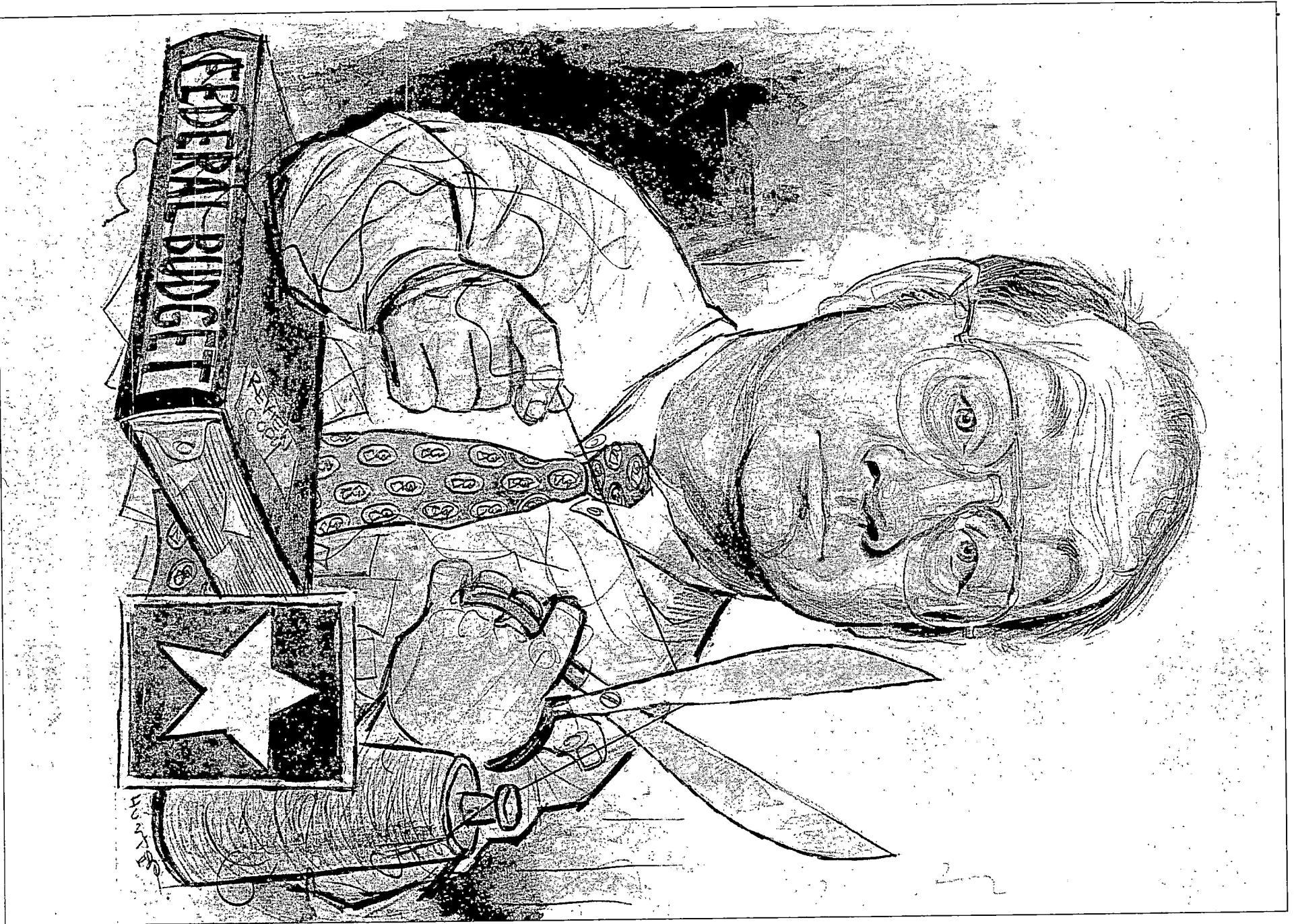
Senator Phil Gramm: Well, obviously, the most important event since I took office in January 1979 was the election of Ronald Reagan as president. I vividly remember listening to Reagan say things at his first inaugural that I had believed all my life, and realizing that now we had

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.





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

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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 initia-

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

tive. 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.

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.

PR: 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.

PR: 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.

PR: 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

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motion the creation of incentives that have put 20 million people to work, is another legislative accomplishment that I'm proud of.

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. 

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The 101st Congress

**By CQ's Political Staff
Phil Duncan, Editor**

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Phil Gramm (R)

Of College Station — Elected 1984

Born: July 8, 1942, Fort Benning, Ga.

Education: U. of Georgia, B.B.A., 1964, Ph.D. 1967.

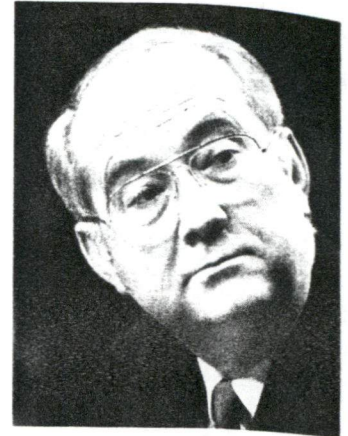
Occupation: Economics professor.

Family: Wife, Wendy Lee; two children.

Religion: Episcopalian.

Political Career: U.S. House, 1979-85; sought Democratic nomination for U.S. Senate, 1976.

Capitol Office: 370 Russell Bldg. 20510; 224-2934.



In Washington: Assessments of Gramm's congressional career necessarily begin and end with the same point: results. Regardless of how one feels about him, there can be no doubt that he has accomplished a great deal of what he set out to do, and in a remarkably short time.

It is easy to find people in Washington — his fellow Republicans as well as members of his former party — whose views of Gramm range from disdain to loathing. His critics call him arrogant, transparently ambitious, demagogic and deceitful. If popularity were the barometer of Senate success, he would be a failure.

But the fact remains that 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. In 1981, as a second-term House member, he devised the Gramm-Latta package embodying President Reagan's priority-reordering program of social spending cuts, a defense buildup and tax reductions. In 1985, just a first-year senator who had been kept off the Budget Committee, he was the driving force behind the Gramm-Rudman-Hollings law, a radical overhaul of the budget process imposing a mandated timetable for balancing the books.

Never mind that many colleagues and outside experts grouse that Gramm's first effort set in motion the deficits that his second law is designed to conquer. Or that the second law promised budgetary salvation that it could not deliver as long as a Democratic Congress and Republican administrations remain at odds on tax and spending priorities. The reality is, Congress passed both.

The institution is more accustomed to legislators who mount a sustained siege of several years to push major bills into law; Gramm, a determined ideological crusader, took the place by storm. But time has passed since Gramm-Rudman-Hollings, leaving some colleagues braced for the next attack. If one comes, it will be an inside job; with the 101st Congress, Gramm finally landed seats on both the Budget and Appropriations committees. The question

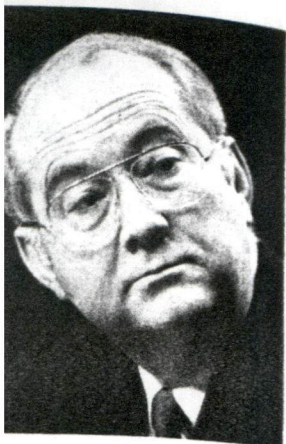
his own party leaders are asking is whether Gramm, as a budget insider, now will be less an independent operator and more a team player.

Senior members of both parties think they have a carrot: Gramm wants funding for the multibillion-dollar superconducting supercollider that is proposed for construction in his economically troubled state. At the same time, they know that this ardent champion of free-market economics does not often bend his principles, even for home-state considerations. He has consistently opposed an oil-import fee, despite attacks like one from a Houston business journal that called Gramm "the third senator from Massachusetts."

Gramm wants to do more than tinker around the edges of the welfare state. He is out to shrink the whole concept of American government on behalf of those he calls "the wagon pullers" — namely, the middle-class "people who do the work, pay the taxes and pull the wagon." For a man given to homespun, self-deprecating humor, Gramm is not modest about his own role in that revolution. "I want to make sure we've changed government forever," he says. "If I don't do it, it may not get done."

His lightning campaign for Gramm-Rudman-Hollings clearly illustrated the keys to Gramm's success. He pressed the issue with an energy and single-minded intensity that was as unstoppable as it was alienating to many of his colleagues. "You don't have to worry about stepping on people's toes," he observes. "They're going to step out of your way." Even more important, perhaps, was Gramm's sense of timing; he is an opportunist, and a good one.

In 1981, Gramm had capitalized on Reagan's honeymoon time, with its consensus that the new president had a mandate for a program that paralleled Gramm's own. By 1985 — a time of pervasive despair over spiraling deficits and Congress' inability to control them through conventional means — Gramm saw that lawmakers and the public were ready for radical steps. He also saw the perfect vehicle to which he could attach his creation — a must-pass resolution extending the government's borrow-



ing authority.

Although Gramm's 1985 proposal was greatly modified during long weeks of negotiations, the core of his concept remained intact. Congress was politically incapable, Gramm believed, of making the decisions needed to eliminate the deficit. The only way to force it to do so was to install a process that threatened a worse alternative — indiscriminate, across-the-board spending cuts.

The appeal of that idea, and fear of the political costs of opposing it, were so great that most members felt they had no choice but to go along, despite strong doubts about the wisdom of approving so fundamental a change with so little study. By the end of 1985, Congress and the president were committed to balancing the budget by 1991.

That initial commitment was short-lived, however. Although one relatively minor round of across-the-board cuts took place in 1986, the Supreme Court soon ruled that a key aspect of the law's automatic-cut procedures was unconstitutional. Gramm and Republican Sen. Warren B. Rudman of New Hampshire tried to fix their proposal to comply with the court, but the House initially refused to go along.

The next year, however, Gramm and a band of House Democrats separately engineered another fiscal crisis — as in 1985, by blocking extension of the federal debt limit — to force a revival of Gramm-Rudman-Hollings. This time, the Reagan administration and many Republicans were opposed, realizing that the law would trigger big defense cuts and tax increases unless its annual deficit targets were relaxed.

The resulting debate was ironic, with Gramm joining the administration in pushing to ease the deficit targets and many Democrats opposing that. The final compromise, besides fixing the law's legally faulty procedures, also moved the deadline for a balanced budget to 1993. Since late 1987, both Reagan and President Bush have reached modest budget agreements with Congress that met the law's targets mainly through accounting gimmickry. The best that is said for the statute is that it has reinforced a consensus on the need for deficit reduction.

Day to day, Gramm's more potent budgetary weapon is his power as a senator to block bills that breach annual spending limits until supporters can muster 60 votes for a budget waiver. In 1987, he single-handedly held up an emergency supplemental appropriations bill for a month, forcing some concessions. Though most of the bill's funds were for farm programs running out of money, Gramm cited the non-emergency add-ons that Appropriations typically includes and called them "part of a process that is little more than piracy."

With his new committee assignments, Gramm himself is now part of that process, and

both he and Appropriations are likely to be tested. In landing a place on Budget also, Gramm fulfilled a goal he has had since he was elected to the Senate in 1984. The fact that it took him four years to achieve it is a measure of the institutional response to his brash independence.

Senate GOP leaders, fearing Gramm would prove uncompromising and hard to control, prevented his seating on Budget in the 99th and 100th Congresses by enlisting two more-senior Republicans to serve. But with the 101st Congress, both unwilling recruits got off, and Gramm had the seniority to stake a claim.

He gave up his seat on the Armed Services Committee, where he had been a supporter of Reagan's military buildup best known for two ideological efforts bearing little on defense: an anti-labor push to weaken a law requiring defense contractors to pay union-scale wages, and a fiscal battle against a longstanding mandate that the Pentagon use U.S. coal for its European bases.

Gramm remains on the Banking Committee, a voice for deregulation. During the 100th Congress, amid trouble in the stock and commodity markets, Gramm counseled against government intervention (his wife, Wendy Lee, is chairman of the Commodity Futures Trading Commission). He was one of only two senators to vote against a banking deregulation bill, objecting that it did not go far enough. In the debate over corporate takeovers, Gramm sided with stockholders' groups and raiders such as Texan T. Boone Pickens Jr. in opposing legislation protective of corporate managers.

While other Texans, notably then-House Speaker Jim Wright, were promoting a limited \$5 billion bailout for the federal savings and loan insurance fund in 1987 — out of concern that a higher amount would allow regulators to close down many ailing Texas thrifts — Gramm espoused the administration's \$15 billion plan. He lost 5-13 in committee, while warning that without a higher amount from S&Ls' premiums, taxpayers eventually would have to finance a bailout. Indeed, the 101st Congress immediately turned to work on a costly package requiring funds from both industry and the Treasury.

Initially at least, Senate Republicans' doubts about Gramm were influenced by his stormy career in the House as a Democrat. Almost as soon as he arrived in 1979, he began fighting with Wright, then the majority leader, and other top Democrats. On the Energy and Commerce Committee, he established a working relationship with senior Democrat John D. Dingell, but he usually voted with Republicans, especially David A. Stockman, soon to be his ally in the Reagan administration. Gramm was a militant critic of President Carter's hospital cost-containment plan on the panel.

When he campaigned for a seat on the

Texas - Junior Senator

Budget Committee at the start of his second term in 1981, Democratic House leaders sought and received Gramm's written assurance that he would loyally support the party's budget. Just months later, he did the opposite — and in a spectacular way.

Democrats soon discovered that Gramm was secretly collaborating with Republicans on Reagan's budget, while sitting in on Budget Democrats' caucuses and reporting back to the White House, particularly to Reagan's new budget director, Stockman. The alleged spy was barred from Democrats' meetings.

He further alienated Democrats with his success in engineering Reagan's budget victory on the House floor. He led 63 Democrats, mostly Southern Boll Weevils, into a winning coalition with Republicans. Later in 1981, after Budget assembled \$37 billion in specific spending cuts to meet the budget's limits, Gramm offered a more stringent package with administration support. The House passed his version rather than Budget's, thanks to the same conservative coalition. Those initiatives were co-sponsored by senior Budget Republican Delbert L. Latta, but Gramm played the key role and won the two men's internal contest for top billing.

Gramm said later that his actions should not have surprised anyone. "I have supported the position that I have supported since I came to Congress," he said. But Democrats felt betrayed; at the start of the next Congress, Gramm was evicted from Budget.

He was prepared for that, and had even hired a GOP pollster for some soundings about a party switch. Charging that he had been punished "for practicing in Washington what I preach at home," Gramm left the party, resigned his House seat and won re-election to it as a Republican in 1983. He rejoined Budget, adapting easily to the role of GOP partisan.

While Gramm's special election and 1984 Senate campaign limited his legislative role in the 98th Congress, he did trigger one controversy. During 1983 debate over a bill authorizing U.S. contributions to the International Monetary Fund, Gramm won House passage of an amendment forcing the United States to vote against IMF loans to "communist dictatorships." It was his counterreaction to liberals' efforts to block IMF loans for South Africa.

But the administration objected, because it wanted the IMF bill and feared Gramm's proposal would imperil its passage. Gramm also outraged members of both parties by targeting some 20 Democrats who opposed his proposal with press releases, sent to their home districts, suggesting they had shown a "total disrespect for the freedom we've always fought for." For all the criticism he provoked, Gramm got a partial victory. As passed into law, the compromise included toned-down versions of both the anti-communist and anti-apartheid provisions.

At Home: Whatever the effects of Gramm's 1983 party switch in Washington, the move bolstered his political career back home. His comfortable victory in the 1983 special House election set the stage for his stunning 1984 Senate triumph.

The Democrats' hopes in 1983 rested on forcing Gramm into a runoff. But Gramm won the special election outright, tapping a massive treasury and a superior organization to take 51 percent. His victory gave the 6th District to the GOP for the first time in Texas history.

In building that victory, Gramm invested heavily in media markets encompassing Dallas, Houston and Fort Worth — giving him exposure that proved invaluable in his subsequent Senate campaign. When Republican Sen. John Tower announced he would retire at the end of the 98th Congress, Gramm was already a familiar figure in the state's populous parts.

Bolstered by his superior name recognition, Gramm took a commanding lead for the Republican Senate nomination, and he never looked back. Largely ignoring his intraparty foes, he spent the spring of 1984 canvassing areas not normally hospitable to the GOP.

The Democrats, meanwhile, were conducting a tortuous nominating campaign. State Sen. Lloyd Doggett, a hard-charging liberal, struggled to finish a close second in the grueling primary, then squeezed past conservative U.S. Rep. Kent Hance in a runoff that further polarized the party and ate up Doggett's resources and time.

When Doggett finally emerged for the general-election campaign, Gramm had him fixed firmly in his sights. The Republican launched an aggressive statewide media campaign questioning Doggett's commitment to traditional family values. One ad observed that Doggett had accepted a contribution from a gay group that raised part of the money at an all-male striptease show. Doggett later returned the funds, but the ad kept him on the defensive.

In response, Doggett tried to cast Gramm as a right-wing extremist too radical to represent Texas. He accused Gramm of attempting to cut Social Security and of calling for the eventual elimination of federal education aid.

But Doggett's counteroffensive could not stem the Republican tide. The Democrat ran well among blacks and Hispanics, carried South Texas and his home base of Travis County (Austin). But Gramm's strategy helped him make impressive inroads into conservative, rural East and West Texas, territory that would go Democratic in an ordinary year. Aided by a 3-to-1 spending advantage and fallout from President Reagan's strong campaign, Gramm racked up 59 percent of the vote — the best showing ever achieved by a Republican statewide candidate in Texas.

Since then, Gramm's standing with the voters has probably been enhanced by his high-

whatever the effects of switch in Washington, the political career back home. In the 1983 special election he stage for his stunning

hopes in 1983 rested on runoff. But Gramm won outright, tapping a massive organization to take 51 of the 6th District to the top in Texas history.

In victory, Gramm invested assets encompassing Dallas, Fort Worth — giving him exponential in his subsequent Republican Sen. John Bentsen would retire at the end of 1983. Gramm was already a family's populous parts.

superior name recognition commanding lead for the nomination, and he never ignoring his intraparty wing of 1984 canvassing spitable to the GOP.

Meanwhile, were conducting campaign. State Sen. Phil Gramm, a self-charging liberal, struggled second in the grueling runoff that further polarized up Doggett's resources

ally emerged for the general election, Gramm had him fixed. The Republican launched a media campaign questioning commitment to traditional values. He observed that Doggett's support from a gay group was money at an all-male event later returned the favor to him on the defensive.

Gramm tried to cast Gramm as too radical to represent. He accused Gramm of attempting to undermine the federal education aid.

Gramm's interoffensive could not be denied. The Democrat ran a campaign targeting Hispanics, carried South Texas, and based on Travis County. His strategy helped him move into conservative, rural Texas, territory that would be a primary year. Aided by a large and fallout from the campaign, Gramm won the vote — the best by a Republican state.

Gramm's standing with the voters was enhanced by his high-

profile performance in Washington. Several Democrats who might have had the statewide stature to challenge him in 1990 seemed to turn away as the election cycle began, making Gramm a strong early bet to win a second term.

Before he ran for Congress in 1976, Gramm's life was centered around the academic community at Texas A&M, where he taught economics. He wrote extensively on economics and energy and established a consulting firm that did contract research for government and private industry in the United States, Canada and Australia.

Gramm was barely known statewide when he challenged incumbent Lloyd Bentsen in the 1976 Democratic Senate primary. Claiming that Bentsen had moved to the left to mount his ill-fated 1976 presidential campaign, he presented himself as a conservative alternative. Underfinanced, he drew only 29 percent of the vote.

Two years later, with better name recognition and financial support, Gramm sought the

Democratic nomination to succeed Olin E. Teague, challenging a Fort Worth television weatherman who was Teague's personal choice.

Gramm survived an expensive primary and runoff by building a campaign treasury of nearly a half-million dollars. In the general election, his national New Right support preempted a successful Republican challenge.

In 1982, Gramm faced a spirited primary challenge from a candidate cheered on by the national Democratic establishment — Jack Teague, son of Gramm's House predecessor. Teague called Gramm a turncoat who had abandoned his party's traditional concern for the disadvantaged and average-income people.

But Gramm cast the election as a referendum on whether he was fulfilling his promises to carry the district's fiscal conservatism to Washington. The incumbent took 62 percent to win the primary. Republicans, who had fielded a candidate in case Gramm lost, showed no interest after his nomination.

Committees

Appropriations (13th of 13 Republicans)
District of Columbia (ranking); Commerce, Justice, State, the Judiciary and Related Agencies; HUD-Independent Agencies; Labor, Health and Human Services, Education and Related Agencies

Banking, Housing and Urban Affairs (4th of 9 Republicans)
International Finance and Monetary Policy (ranking); Consumer and Regulatory Affairs; Housing and Urban Affairs; Securities

Budget (9th of 10 Republicans)

Elections

1984 General		
Phil Gramm (R)	3,111,348	(59%)
Lloyd Doggett (D)	2,202,557	(41%)

1984 Primary		
Phil Gramm (R)	246,716	(73%)
Ron Paul (R)	55,431	(16%)
Rob Mosbacher (R)	26,279	(8%)
Henry C. Grover (R)	8,388	(3%)

Previous Winning Percentages: 1983 † (55%) 1982 * (95%)
1980 * (71%) 1978 * (65%)

* House elections.
† Special House election.

Campaign Finance

	Receipts	Receipts from PACs	Expenditures
1984			
Gramm (R)	\$9,863,651	\$1,479,851 (15%)	\$9,509,724
Doggett (D)	\$5,958,005	\$804,929 (14%)	\$5,880,512

Key Votes

1987	
Enact omnibus highway bill over Reagan veto	N
Limit testing of space-based anti-ballistic missiles	N
Oppose banning tests of larger nuclear weapons	Y
Confirm Robert H. Bork as Supreme Court justice	Y
1986	
Allow vote on campaign-finance overhaul	?
Pass civil rights restoration bill over Reagan veto	N
Enact omnibus trade bill over Reagan veto	N
Approve death penalty for drug-related murders	?
Oppose "workfare" amendment to welfare overhaul bill	N

Voting Studies

Year	Presidential Support		Party Unity		Conservative Coalition	
	S	O	S	O	S	O
1988	78	15	85	4	92	3
1987	87	9	92	5	84	13
1986	99	1	95	4	97	1
1985	87	13	95	5	88	12
House Service						
1984	37	27	58	5	69	8
1983	73	16	79 †	2 †	93	0
1982	84	14	10	87	89	10
1981	75	22	20	77	99	0

† Not eligible for all recorded votes. Gramm resigned from the House Jan. 5, 1983. He had been elected as a Democrat and cast his first three votes of 1983 as a member of that party. His party unity support score as a Democrat was 33 percent; opposition was 67 percent. Gramm was re-elected Feb. 12, 1983, as a Republican and sworn in Feb. 22. The scores for 1983 party unity reflect his votes as a Republican.

Interest Group Ratings

Year	ADA	ACU	AFL-CIO	CCUS
1988	0	95	0	92
1987	5	100	10	89
1986	0	100	0	89
1985	0	95	0	86
House Service				
1984	10	64	22	78
1983	0	100	0	88
1982	10	91	10	73
1981	0	93	13	89

Charlottesville; above us, Brown's Mountain. The main road is Ashland from President Monroe. The "academical village" of Jefferson 170 years ago, we could see the old shadows of The Risen field that the Ridge Mountains of Jefferson's wish that it students would look out between their trees.

And, we worked in that education and the dream for excellence and hopes for America. Shortly before he died, Jefferson gazed at the establishing his university of usefulness that I saw. "Building the Ridge were the crowning edge of Monticello," without the creativity and challenge of a great facility and center of learning more than bricks and mortar for the best in them to teach at the ends—except in the light only by a resi-

favorite teacher was George Wythe, a man of the essentials of the classics. I'm sure my favorite teacher. I took 12th grade to Providence—[laughter]—but in the immortal of life. And I'm not alone because I'll be here has a special members. Today, as it is, it is America's our young people excellence. You know, being once that aside the sure foundation reservation of free-

And so, tonight I would like to toast those who have heard the call and followed it—those who have sacrificed so much in order that America might enjoy a sure foundation of freedom and happiness. And I toast our teachers—those who taught us, those who sacrifice to teach our children, and those among us who have been members of this proud profession, the 6 members of my Cabinet—6—and the 13 Governors present who are former teachers. And just to give a small plug for alternative certification, there is one person present who has never held a teaching position, yet has been a leader in the fight against illiteracy, and that is my wife, Barbara.

We've come to this spectacular home of Thomas Jefferson to build upon his dreams of a strong system of education for all. But without our teachers, without their vision and their dedication, the dream would be lost. And so I ask you now to join me in a toast, a salutation to the teachers of America. God bless them all, and God bless the United States. To the teachers.

Governor Branstad. Mr. President, First Lady Barbara Bush, on behalf of our nation's Governors and our spouses, we thank you for convening us for this historic summit. The first President to bring this body of Governors together was Teddy Roosevelt. And when he called a meeting in 1908 to discuss the problems in the natural resources and environment, the Governors had such a good time that we decided to meet annually every year and form the National Governors Association. We are proud that you have brought us back together. It has been nearly a century since President Theodore Roosevelt called that meeting of the Governors in 1908. And yet, we have come together for only the third time for a summit meeting of this magnitude called by the President of the United States. We are deeply honored in this opportunity. Our agenda is to develop a world-class education system for the future of America. It is one of the critical challenges facing our nation today.

By bringing your most trusted advisers to this meeting, Mr. President, you have shown your commitment. And when I say "most trusted" advisers, I especially mean Barbara Bush—and the Cabinet members. You have shown your commitment to liter-

acy and quality education for all. Just like President Jefferson, you are committed to quality education. Just like President Jefferson, you are helping to build something. Apparently, he supervised the construction of the University of Virginia's Rotunda by watching the work from a telescope here at Monticello.

Here in Charlottesville we have begun what I hope will build something very important. You can watch and help and encourage as we continue the work in the individual States and in the classrooms all across this nation. We thank you for your commitment and for making education and literacy a priority of the American people. To the President of the United States and the First Lady Barbara Bush.

Note: The President spoke at 8:25 p.m. at Monticello.

Statement by Press Secretary Fitzwater on the President's Education Summit With Governors in Charlottesville, Virginia

September 27, 1989

The President said today's sessions with the Governors were very constructive. He said he felt a consensus could be reached on a number of issues. The key to success will be followup that occurs in the weeks ahead. The Governors indicated the most prominent issue before them is a question of flexibility in their spending of Federal funds. They asked the President to work with them in getting Congress to provide more flexibility in spending programs.

The Governors also indicated that early child programs, including Head Start, are the most valuable in terms of ultimate educational success. The Governors also spoke at length of the need to increase accessibility to the teaching profession by people now in other careers. This issue, teacher certification, is important to bringing new ideas into the teaching area.

The President found the give-and-take with the Governors quite useful and looks forward to tomorrow's meeting.

**Remarks at the University of Virginia
Convocation in Charlottesville
September 28, 1989**

Governor Baliles. Mr. President, Ladies and gentlemen, as you may have noticed during the course of this unprecedented education summit, Virginia law and tradition oblige us to publicly invoke the name of Thomas Jefferson at least once or twice an hour. *[Laughter]* There are worse habits.

Mr. President, it has been an interesting, sometimes provocative, gathering. You asked the Governors to be candid, and I think we've fulfilled that request—perhaps beyond your fondest hopes. *[Laughter]* I would also say, however, that you gave as good as you got. But these are times for candor and outspoken self-examination. These are times for us to open our eyes and our minds and face the facts. The world has changed more than we sometimes would prefer. The challenges, both internally and externally, are profound and difficult. And, frankly, we have not made it easy for ourselves.

Within the last decade, immense Federal budget deficits have accumulated with resulting declines in domestic spending, including education. We need not assign blame, but we ought to acknowledge that the Federal budget situation has left the States increasingly on their own to address not only education, but also health care, transportation, law enforcement, and other pressing concerns. Indeed, the Federal budget deficits have been the backdrop to the education summit stage. The Federal deficits confine our flexibility, limit our options, and explain our shared reluctance to discuss financial resources. To be sure, in recent years the States have stepped into the breach. Imaginative and innovative programs have been created and funded by Governors and State legislators determined not to let the red ink in Washington inhibit the potential of our people in their enterprise.

But has it been enough? Has the renaissance of State governments yielded a renewed competitive America? The evidence says no. Indeed, it may be said of the American Federal system of government that the whole remains less than the sum of the parts. Education is one example, but not

the only one. In other words, if we are to take on education as a nation, we had better get all the parts in accord and pulling together. And you, Mr. President, have taken a valuable and important step in that direction.

Up to this point, Mr. Jefferson's preference for locally administered education has prevailed. We will not depart from that model entirely. States and localities will continue to provide more than 90 percent of the funding and the preponderance of the direction and supervision.

And yet, there is a Federal role to be more clearly defined, supported, and sustained. In response to international economic competition, a consensus has emerged for an American national resolve. The Jeffersonian belief that education is the first, best hope for our Republic's enduring success has not diminished. We have simply discovered that, as the times change, so must our ideas. That may be the finest result of this education summit: that we have begun, State and Federal governments together, to think anew our respective roles and to address education for the first time as a nation undivided.

Mr. President, you have a loyal ally to support your efforts in the person of the new Chairman of the National Governors Association. It is my pleasure to introduce my friend and the distinguished Governor of the State of Iowa, Terry Branstad.

Governor Branstad. Thank you, Governor Baliles. Mr. President, First Lady Barbara Bush, members of the Cabinet, fellow Governors and their spouses, President [University of Virginia] O'Neil and Mrs. O'Neil, and members of the University of Virginia community: It is indeed appropriate that this education summit be held here amidst this historic setting. On behalf of the Governors and their spouses we want to thank the faculty, administration, and students for hosting us here at this beautiful University of Virginia campus. And I hope we haven't disrupted your class schedules too much the last couple of days. *[Laughter]*

With this historic education summit, the President and the Governors have taken an important first step in the process of developing for the first time a national consensus for educational goals. We are discussing

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Thank you, Gover-
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some of the most critical issues facing
America today—that is, the state of educa-
tion. Our discussions underscore the
breadth and depth and the complexity of
the issues that we face. We believe that this
summit can serve as a catalyst for change
and improvement in American education.

But we know that we can't do it alone.
Not even the President of the United States
and the Congress, each Governor and their
legislature can cause the kind of changes
that we want. We have to have the involve-
ment of the people who are directly affect-
ed; the people who can assure that we get
results for America's children. These are the
teachers, the parents, local school adminis-
trators and school board members. Stu-
dents, business leaders, leaders in their
communities. People who care deeply about
American education. Only with the com-
mitment of all of these people and with
their cooperation and help can we be suc-
cessful in attaining the goals that we hope
to agree upon.

Governors recognize that this is a time
for results. We are working hard to achieve
results in our States—results like better stu-
dent performances on math, science, and
foreign language tests; lower dropout rates
and higher graduation rates; improved
adult literacy; skilled and productive work-
ers for the jobs of the 21st century.

To get the results we want, we have to
hold our education system accountable and
give educators the flexibility they need to
do their job. It is time to find new measures
of performance based on what students
know and what students can do, not just the
number of classes that they complete in
high school or college. It is time for more
flexibility in the use of Federal dollars, and
better coordination and cooperation among
all levels of government and the different
agencies of the Federal Government and
State governments. We need to better serve
the needs of American families and Ameri-
can schools.

On behalf of the nation's Governors, we
thank you, Mr. President, for convening this
historic summit, for the process that you
have started and for our opportunity to
help achieve significant goals that will get
results for future generations of Americans.

And now I have the privilege of introduc-
ing the Secretary of Education for the

United States. Lauro Cavazos was appointed
by President Reagan in 1988 as U.S. Secre-
tary of Education. He was confirmed unani-
mously by the United States Senate, and
before that, he had a distinguished career as
president of Texas Tech University. And
I'm pleased to say, he also has a Ph.D. from
Iowa State. Lauro Cavazos, Secretary of
Education.

Secretary Cavazos. Thank you, Governor.
Thank you. Thank you, ladies and gentle-
men. It's my distinct pleasure to be here
today as we continue this historic education
summit. The decisions we make will affect
the lives of millions of children in the
United States, and it is for those children
and the future of this country that we are
here. President Bush has pledged his sup-
port for education and the need to restruc-
ture our educational system, and it is an
honor now for me to introduce the Presi-
dent of the United States, George Bush.

The President. Thank you all very much.
Thank you, Secretary Cavazos. Thank you,
Governors. Thank you, Dr. Cavazos—Secre-
tary Cavazos. First, my respects to all the
Governors here, and I want to thank—the
music of that Air Force Band, just lovely.
Thank you for your performance. I want to
thank Governor Baliles and Governor Bran-
stad and so many others who had a very
special role. I want to thank President
O'Neil and Mrs. O'Neil. It was only yester-
day that I discovered that we had evicted
them from the president's house. [Laughter]
And not only did they go peacefully,
but they left me this necktie from Eljo's,
which I'm sure some of you may recognize.
You talk about Virginia hospitality. [Laughter]
And I also want to pay my respects to
the students and especially to the distin-
guished faculty of this great institution.

And for Barbara and me it's a delight to
be back in Charlottesville. Imagine this: You
have a President, the Cabinet, America's
Governors all visiting your school. And the
big man on the campus—still Sean Moore.
[Laughter] But, you see, we're somewhat
familiar—our son Marvin and our daughter-
in-law Margaret, having gone here, both ad-
vising me to be humble while I'm at U.
Hall. You see, they told me you only do the
wave for Ralph Sampson. [Laughter]

Now, it's easy to keep your perspective and be humble at a school so rich in history and in educational endeavor. And I've also been deeply impressed by the commitment, the creativity, and the knowledge that my fellow chief executives bring here to this education reform agenda. In our meetings yesterday, I learned exactly how much you care about the children of your States and the future. And in short, I came to Charlottesville with high expectations, and I've got to say, you have exceeded them. So the spirit of our summit is not: "Who will get the credit?" The spirit of this summit is: "How can we get results?" We are here to put progress before partisanship, the future before the moment, and our children before ourselves.

I've heard eloquent advice from many of you, and from so many others, in the last few weeks. And I've listened, and I am deeply appreciative of all that I have learned. But I've also learned that we should listen to our children. And they have much to tell us. In many ways, they are the luckiest generation in history. Just last month, our children observed, in the clarity of Voyager's sight, the horizons of new worlds, the majesty of space. And think what these images would have meant to the ever-curious founder of this university, who could only look through a primitive telescope at faint patches of light and wonder.

But our children are growing up in an age where wonder is commonplace, peace and prosperity often taken for granted. And our children are also the beneficiaries of a nation that lavishes unsurpassed resources on their schooling. So in many ways, we're close to fulfilling the Enlightenment dream of universal education, a dream that became a reality in the shadows of the Shenandoahs here at Mr. Jefferson's school. And every step we take at this university is truly a walk in Thomas Jefferson's footsteps. When he first charted the ground on which we gather today, there was just a field of grass, a horizon limited only by the blue mountains beyond. But Jefferson surveyed a horizon that no one else could see. He saw the graceful dome of the Rotunda, the elegance of the Lawn and its pavilions. He saw meeting rooms and libraries and lecture halls teeming with professors, students yet unborn. Jefferson set out to fashion his rari-

fied vision into solid reality, brick by brick, book by book. And it is his university, and his dream, that inspires us today to follow in his footsteps. As President O'Neil said, Thomas Jefferson, our first education president, was a relentless advocate for universal public education. "He had a fundamental conviction that on the good sense of an educated citizenry, we could build and defend a country of liberty and justice."

I borrowed those words—this assessment—from a friend of mine, another Renaissance man of our time, the late Bartlett Giamatti. Like Jefferson, his life was a metaphor for civility and public service. And it is this commitment to public service that we must carry on. So, let us make this an education society.

We have already come close to this Jeffersonian ideal. Our educational system is, in many ways, unrivaled in its scale and its diversity, in its commitment to meeting special needs and individual differences. And we're inspired by our best teachers, who give more than we can rightly expect; and from our best students, who surpass our highest expectations. And yet, after two centuries of progress, we are stagnant. While millions of Americans read for pleasure, millions of others don't read at all. And while millions go to college, millions may never graduate from high school.

The national Assessment of Educational Progress estimates that fewer than one in four of our high school juniors can write an adequate, persuasive letter. And only half can manage decimals, fractions, and percentages. And barely one in three can locate the Civil War in the correct half-century. No modern nation can long afford to allow so many of its sons and daughters to emerge into adulthood ignorant and unskilled. The status quo is a guarantee of mediocrity, social decay, and national decline.

Education is our most enduring legacy, vital to everything that we are and can become. And come the next century, just 10 years away, what will we be? Will we be the children of the Enlightenment, or its orphans?

Six years ago, the Committee on Excellence in Education issued its powerful report; and yet today, our nation is still at

reality, brick by brick, it is his university, and it is us today to follow in President O'Neil said, "My first education president advocate for universal education. He had a fundamental sense of an education that would build and defend the justice."

His words—this assessment of mine, another Renaissance, the late Bartlett, his life was a metaphor for public service. And it is public service that we must make this an edu-

come close to this Jeffersonian system is, in its scale and its commitment to meeting individual differences. By our best teachers, we can rightly expect; we can rightly expect; we can rightly expect; we can rightly expect. And yet, after two years, we are stagnant. Americans read for pleasure don't read at all. And college, millions may go to high school.

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ost enduring legacy, at we are and can e next century, just ll we be? Will we be nlightenment, or its

Committee on Excel- issued its powerful our nation is still at

risk. The educational reform movement has done well in articulating its criticisms. And now it is time to define goals. This is the time for action. I sent my proposals for Federal action in education to Congress last spring, including an increase in funding for Head Start. The Educational Excellence Act of 1989 includes ways to reshape and expand Federal efforts, to recognize excellence, lift the needy, foster flexibility and choice, and measure and reward progress. I remain solidly committed to these principles and I value your advice and ideas as we continue to refine the Federal role.

Some offer a completely different answer: spend more money alone. And at the Federal level, we have asked Congress to provide nearly a half a billion dollars in new funding for 10 worthy programs. Your States may also choose to spend more. But to those who say that money alone is the answer, I say that there is no one answer. If anything, hard experience teaches that we are simply not getting our money's worth in education. Our focus must no longer be on resources. It must be on results.

And this is only the third time in our 200 years as a nation that a President has called a summit with the Governors. And I've called you together because you bear the constitutional responsibility for education. And I didn't ask you to such an historic occasion merely to bemoan what is wrong. We are here to work; and work together; to once again make an American education the best in the world. And let me say to the Governors before this majestic audience, these sessions have been informative and thoughtful and very useful to me. And I appreciate the obvious extensive preparations that the Governors have undertaken in the days and weeks leading up to this summit. The Governors have emphasized to me the need for national performance goals and the importance of greater flexibility in the use of Federal funds, while accepting enhanced accountability for the results. And they've also stressed the high priority that helping prepare preschool children should have in Federal spending even in time of fiscal constraint.

And finally, the Governors have articulated eloquently the need to restructure our education system. You already are consulting with State legislators to better our

schools. Our teachers already are giving their heart and soul to their jobs. But we've never before worked together—President and principal, Governor and teacher—to achieve results in education.

A social compact begins today in Charlottesville, Virginia—a compact between parents, teachers, principals, superintendents, State legislators, Governors and the administration. Our compact is founded not on promises, but on challenges—each one a radical departure from tradition. I hope that you will join me to define national goals in education for the first time. From this day forward, let us be an America of tougher standards, of higher goals, and a land of bigger dreams.

Our goals must be national, not Federal. That's why I welcome the initiatives of the National Governors' Association, from the Time for Results report in 1986 to the goal-setting project recently begun under the leadership of Iowa's Terry Branstad, South Carolina's Carroll Campbell, Washington's Booth Gardner, Bill Clinton of Arkansas. And my administration will work with you to build on the National Assessment Program's first State-by-State achievement results. We will work with you to formulate national goals. And then we're going to challenge superintendents and principals to meet these higher goals. In return, I accept your challenge and will work with you to loosen the grip of Federal restrictions. How many great ideas, how many grand and noble experiments, have been impaled on the narrow spike of a Federal directive? Unnecessary restriction is the enemy of the bold. And bold action is what we need most of all.

I ask Congress to allow Washington to be more flexible by passing reform legislation. And I ask you, in turn, to ease State restrictions on local bodies. And then we'll judge our efforts not by our intentions, but by our results. So, to get results, we need national goals and more flexibility from Federal and State government. To get results, we will need a new spirit of competition between students, between teachers, and between schools—a report card for all. And to get results, we will need discipline, structure, and goals.

And yet, I do not counsel a naive nostalgia, some tame adherence to the past. Business as usual is not getting us where we need to go. So when hallowed tradition proves to be hollow convention, then we must shatter tradition. The polls show what every PTA board member already knows—the American people are ready for radical reforms. We must not disappoint them.

For myself, I envision tradition-shattering reform in five areas.

First, I see the day when every student is literate. But literacy should mean more than the "three R's." We must be a reading nation. We must grapple with the hard sciences. And because education is as spiritual as it is practical, our children must know why Americans died at Bunker Hill, at Gettysburg, and at Monte Cassino. And they must do more than identify names on a multiple choice question. They must understand the generosity of Andrew Carnegie and the genius of Alexander Graham Bell and the heroism of Rosa Parks. Some youngsters will naturally take longer than others. And some will need more study and extra instruction. But we should never send a student from school to school just because he or she has passed an arbitrary birthday.

Second, I see a day when our educational system will be unafraid of diversity. Of course, all schools in a State will share a core curriculum and minimum standards of achievement. But the means by which that curriculum is taught and those goals met should be as diverse and varied as America itself. Let them blend, in myriad ways, the traditional and the modern, the human and the technological. Let us give our schools and our teachers the freedom to do what they do best.

Children also differ in their interests and learning styles and capabilities. And so, third, I see the day when choice among schools will be the norm rather than the exception, when parents will be full partners in the education of their children. Too many parents have come to see education as a service we can hand over to the school boards, in much the same way we expect our cities to provide electricity or water. But education is not a utility, not something to be delegated. Education is a way of life. And educational reform is an urgent responsibility for every parent, every student,

every community. And those who do not advance the cause of education hinder it. Parents, students, and professional educators must be accountable to one another as a community.

But to be accountable, we need to know just how much progress we're making. So, fourth, I see the day when we use accurate assessments, carefully linked to our educational goals. We need to first know where we are. And this means accepting the bad news along with the good. We've always measured our progress against our past performance. We must now evaluate ourselves on a tougher grading curve—one that includes the other major industrial nations. And accountability also means we must act on what we discover. Weak performance in the classroom or the principal's office will no longer be tolerated. But neither will indifference towards good educators. Society has no greater benefactors than outstanding teachers and principals. And so, let them have their day in the sun, get what they deserve—generous praise and solid rewards.

Fifth, I see an educational system that never settles for the minimum, in academics or in behavior. Decades of research bear out what the best teachers already know: when standard and expectations are high, everyone does better. And this includes both the unusually gifted and those with special needs and disabilities. But it must also include the student we too often forget, the average student. All you guys with C's, I want to hear it from you. For I do believe that with a little care and a little work we can unleash within each of these so-called ordinary kids an extraordinary potential. This same potential can be found within every disadvantaged child, those from troubled neighborhoods, children for whom our schools must be a beacon of excellence, a sanctuary from violence, a model of good character, sound values, exemplary ethics. Let no child in America be forgotten or forsaken.

Some of our reforms and experiments are sure to come up short. But for too many of our schools, experimentation is preferable to the status quo, because the status quo could scarcely be worse. The worthy and the useful will win out only if we give our schools the freedom that they need. And

And those who do not of education hinder it. and professional education to one another as

table, we need to know progress we're making. So, when we use accurate ly linked to our education to first know where means accepting the bad he good. We've always ess against our past performance now evaluate ourselves ing curve—one that in- major industrial nations. also means we must act r. Weak performance in e principal's office will ed. But neither will in- good educators. Society factors than outstanding pals. And so, let them he sun, get what they raise and solid rewards. ducational system that minimum, in academe- ecades of research bear teachers already know: expectations are high, er. And this includes gifted and those with isabilities. But it must nt we too often forget, All you guys with C's, I you. For I do believe e and a little work we ach of these so-called traordinary potential. can be found within child, those from trou- children for whom our acon of excellence, a ice, a model of good ies, exemplary ethics. erica be forgotten or

s and experiments are . But for too many of entation is preferable cause the status quo re. The worthy and t only if we give our that they need. And

such freedom will not lead to a quick and easy solution. It's the work of years. And we've taken such a long-term view in our meetings over the last couple of days.

We've discussed the need for educational reform in terms of our national competitiveness—you heard Governor Baliles refer to that just a minute ago. But I'm sure you agree that there is more to learning than just our trade balance or the graying of our work force; it is broader than the important, but narrow, compass of economics and government. A scholar once wrote that great books are not lifeless paper, but minds alive on the shelves. And he observed that just as the touch of a button on a stereo will fill a room with music, so by taking down one of these volumes and opening it, one can call into range the voice of a man far distant in time and space and hear him speak, mind to mind, heart to heart.

As a nation, we can again hear these voices, feel this enchantment, every time a parent reads a bedtime story to a sleepy child, every time a young scholar turns to the great books. The day must come when every young American can know the life of the mind. I might say parenthetically that is why my wife, Barbara, for many years has devoted a lot of her time to making this country more literate.

In essence, that is why we've gathered here at Mr. Jefferson's school. He was just one man, but look at what one man can do. Imagine what we can do, if we—more than 50 strong—are united by this great cause. So let us dream. And let us talk. And if need be, let us argue. But in the end, let us walk together on a journey to enlightenment, in the footsteps of Thomas Jefferson. Thank you for your hard work and dedication. God bless you. And God bless the United States of America.

Note: The President spoke at 11:56 a.m. at the University Hall. In his remarks, he referred to University of Virginia football player Sean Moore, former University of Virginia basketball player Ralph Sampson, and former baseball commissioner A. Bartlett Giamatti.

Remarks at the Education Summit Farewell Ceremony in Charlottesville, Virginia

September 28, 1989

Secretary Cavazos. Thank you very much. The past two days have been busy for all of us, but the enthusiasm has come to this meeting, discussions have borne our knowledge that we are doing vital and important work and that the results of our decisions will have an impact far beyond what we can imagine. We've made history at this education summit and I know that we will continue to make history in every State and every school across America.

It is an honor now to introduce the President of the United States, George Bush.

The President. Thank you very much. My role is simply now, at the end of what I think we all agree was a very successful conference, to again thank the University of Virginia—students, its faculty, its president—to thank all of the Governors. I want to single out those on the platform with me now. Governor Branstad, who is head of the Governors' Association; Governor Carruthers; Governor Booth Gardner of the State of Washington; and of course Bill Clinton, who looks a little tired, but took on an extra responsibility for hammering out a statement upon which there is strong agreement.

And we've reached agreement on the need for national performance goals; on the need for more flexibility and accountability; the need for restructuring and choice, and I agree with Governor Clinton that this is a major step forward in education, the need for letting parents, teachers, students, and communities—to encourage them to work together more and more; and the need for more Federal support for the prekindergarten education process normally identified with Head Start, but certainly other programs might fit that description.

But I want to thank each and every one of the Governors and their families. This has been historic, and I pledge to you my determination to follow up in every way possible. We just cannot let it sit here and end here, and I promise you that I won't, that my Cabinet won't, and that our entire administration will not. So, with no further

(Lange/Blessey)
December 4, 1989
4:30 p.m.
[GRAMM.DOC]

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

Thank you, Phil.

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

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, Houston was just chosen as the site for the next
economic summit. In 1990, the world's economic superpowers will
all convene here. Somehow that just makes sense. \\
|

It's great to be with you, 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.**

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 -- **reordering** government priorities, **rebuilding** national defense, and **restructuring** entitlements.

He risked a lot to push that budget through -- and was eventually 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. And 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.**

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 flexibility -- promoting and rewarding excellence. **Phil Gramm understands** the value of good education -- he co-sponsored our Excellence in Education Act.

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

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.**

This administration has worked to renew and reorganize **the fight against drugs**. We know no greater threat to the health of the American mind and the American family, than the poison of illegal drugs. **Phil Gramm understands** that fight -- he's been on the front line from day one. He was there as we crafted our National Drug Strategy, to limit supply and shut down demand.

Finally, 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. 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. ((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. \\

You see, Phil's 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. It's the person who wants the opportunity to get one."

I need -- Texas **demands** -- and **America deserves** Phil Gramm's bold, courageous 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.

#

11/28/89

Don White
Harry Webb
224-2484

Call Space Council on Super-Colliding Condenser
Call Nancy Mobley on Estuary program

Issue
Nov. 7 vote on a \$130 mill bond issue

Harry is calling me @ 11:00 w/ info on candidates, education, Clean Air, and crime & drug legislation.

Enric. Mike Solon - energy env. 40418
Edue Ed Rich - education 40416

Don White - brother - (2014) 528-9680

Jim Miller 488-8200 Citizens for a Sound Economy

Formed a neighborhood army of 5-6 kds
Henry, 5 year old went to Mrs. Gorman
Henry Sheridan to this & do what it's
not right

Don White's
In the private
is corporate

Promoted Henry from private to 2nd Lt & himself for col. to maj. Gen.

2
(11/29/89)

Little League was pitcher (not very good)
Pitches Ball 1, Ball 2
Gramm getting upset. Finally says
"You're a damn liar."

He failed the 3rd 6th & 9th grade

→ Called mother Mrs. Gramm don't want
to shock you, not everyone's
cut out for higher education. Might
want to try trade school.

Clean Air

- AH & Fuels - doesn't believe in mandatory
use; natl. gas is just as good; doesn't like
subsidies
- Max. reliance on free market
~~exp. in acid rain + mandatory scrubbers~~
cleanest enviro. at lowest cost

Education supports original proposal

Co-sponsor of Pres.'s bill

notl. teacher ^{board} standards ~~board~~ - opposed to it
new edition would find this

POTUS also
opposes

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. \\\

check language
I offered a number of ideas to Chairman Gorbachev. I suggested we work to complete a trade agreement, *which would lead and then we would* 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. *Such in Nicaragua* Activities ~~in those countries~~ and in Cuba weigh heavily on U.S.-Soviet relations. **We want this hemisphere free of that burden.** \\\ *We want this to be the 1st hemisphere totally made up of Democratic countries.*

My meeting with Mikhail Gorbachev was a great success -- a chance to *improve* *imp.* *relationship* build a new ~~friendship~~. But tonight, *Malta seems far away.* 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

And we also know that FC continues to export revolution not just into E. Sab. but into other countries as well.

November 15, 1989

MEMORANDUM FOR JOHN G. KELLER, JR.

FROM: JUDD SWIFT

SUBJECT: PRE-ADVANCE TO DES MOINES, IA; DENVER, CO; AND
HOUSTON, TX

On November 13-14, 1989, Judd Swift conducted a Pre-Advance to Des Moines, Iowa; Denver, Colorado; and Houston, Texas. The following background and preliminary schedule is presented for your review. Please note that the drug events, while they are included in the Proposed Schedules, were conducted as a site survey only.

DES MOINES, IOWA

Background - Tom Tauke Event

Congressman Tom Tauke will challenge incumbent US Senator Tom Harkin in 1990 for the United States Senate. Tauke has been endorsed by the Iowa Republican Party, and US Senator Chuck Grassley, Governor Branstead. Tauke is targeted by the NRSC as one of the top challengers in 1990, with an excellent chance of gaining a Republican Seat in the Senate.

The President's visit to Iowa on behalf of Tauke will boost Tauke's name recognition in the state and will allow his campaign to raise approximately \$500,000 - \$800,000. Tauke's successful campaign will probably cost \$4 - \$5 million dollars. The visit itself will generate a great deal of positive publicity for Tauke's campaign - it will greatly raise his status as a challenger.

Congressman Tauke endorsed The President in 1980 and 1988. In both of those campaigns, Tauke served as Honorary Iowa George Bush for President Chairman.

Theme/Message Development

To heighten Republican Party Unity and assist in a victorious 1990 election.

PROPOSED SCENARIO - Tom Tauke Event

The President could arrive at the Des Moines Convention Center and proceed to the Staff Photo. Upon arrival, The President could begin participation in Staff Photo with approximately 45 major donors. Upon conclusion of the Staff Photo, The President, could depart the Staff Photo room and proceed to the Holding Room. After a brief hold, The President could depart the Holding Room and proceed to the VIP Reception Room. Upon arrival at the VIP Reception room, The President and Congressman Tauke could be announced into the room and proceed to the Toast Lectern. Congressman Tauke will introduce The President.

The President could give Brief Remarks (Talking Points 3-5 minutes) to approximately 400 people. Upon conclusion of Brief Remarks, The President could depart the VIP Reception room and proceed to the Holding Room. The President could depart the Holding Room and proceed to the Off-Stage Announcement Area. The President, accompanied by Congressman Tauke, could be announced into the room and proceed to the Stage. Congressman Tauke will make brief remarks and introduce The President for Brief Remarks. Upon conclusion of Brief Remarks, The President could depart the Stage and proceed to the Holding Room. After a brief hold, The President, could depart the Holding Room and proceed to the Motorcade for departure from the Des Moines Convention Center en route Des Moines Municipal Airport. There will be approximately 4,000 people for the main event. The backdrop will consist of a blue background with a Red and Yellow Banner with Tom Tauke's name. The Press platform will be 75 ft. throw, straight on.

Background - Homes of Oakridge

In December 1988, Margaret Toomey wrote a letter to Oakridge tenants about the drug problem in their community, and she called on the community to organize against drugs. The Homes of Oakridge is a seventeen year old federally subsidized, private, non-profit housing project. The community began by holding regular meetings, working with Police and they organized a march called "Up with Hope, Down with Dope", which was attended by over one-thousand citizens. Today there is a noticeable difference in the neighborhood due to the large community involvement of ridding their neighborhood of drugs.

This year, a special project, project HOPE (Homes of Oakridge Prevention Effort), was implemented to make youth more aware of the dangers of substance abuse and gang behavior. The adult programs are also expanding with a greater emphasis on educational, vocational and career choices through Inner City Single Parent Vocational Program. This program assists low-income, single parents living at or below the poverty level. They also offer a number of programs and counseling to the children of Homes of Oakridge. The Homes of Oakridge is a perfect venue for The President to highlight the necessity for community involvement in the war against drugs.

Two of the programs that have had a lot of community participation and that have proven very successful could be visited by The President. The President could participate in a group discussion with approximately 15 - 20 children in an informal discussion setting, (either a circle or u-shaped). The children ages range from 5 - 15 years old, are both male and female and are racially mixed. The President's participation could be as Guest Speaker, followed by a Question and Answer Session with the President.

The President could also visit the Homes' Skill Center where the Youth Education and Work Program is operated for Homes of Oakridge residents and its surrounding communities. This program is an after school and summer program. The purpose is to develop values for productive work, provide a limited source of earned income, instill self-esteem, and encourage youth to become productive citizens. The Youth Education Work Program operates seven components consisting of Basic Academic Skills, Work Session, Mass Production, Choice Component, Workshop, Junior Apprentice and Mini-Store Component. The President could participate in two of these components. The first could be the Choice Component where youths receive hands-on instruction in five construction and two business occupations. They include, carpentry, electrical, plumbing, painting, dry walling, etc. The President could visit each work station where children will be working. The President could also view items made in the Mass Production Program. Here the youth work with hand and power tools to make items that are sold in the community. Some of the items include bird feeders, wooden picture frames, a Christmas wooden train, etc.

Homes of Oakridge has been assisted over the years by the City of Des Moines, Polk County, and numerous churches and charitable organizations. A new variety Center is being built. The corporate community has donated the land and raised over one million, six hundred thousand dollars for the Center. The Homes is now trying to raise funds to equip the Center.

Theme Message Development

We can create a visual here showing how community intervention with young kids can prevent future drug abuse.

PROPOSED SCENARIO - Homes of Oakridge

The President arrives Des Moines Municipal Airport, boards Motorcade and proceeds to Homes of Oakridge. Upon arrival, The President could proceed to the Church Basement where he could participate in a Group Discussion with a group of Children (Ages 5-14 years old). These Group Discussion Meetings are held twice a week and are called Boy-Talk and Girl-Talk. The objective of these Talks is to raise the children's self-esteem through positive dialogue. The President could be the Guest Speaker and then could participate in a Question and Answer Session with the Children. Following the Group Discussion, The President could depart the Church Basement and proceed to the Holding Room. After a brief hold, The President could depart the Holding Room and proceed to the Skill Center. Upon arrival at the Skill Center, The President could be met by Ms. Annette Dyer and Mr. Chuck Hoit, Teachers. Following the Greeting, The President could proceed to Tour the Individual Work Stations that some children will be working at. Following the Tour, The President could proceed to the Viewing Table and could inspect the products/crafts that the children produce and sell to the community. Following the inspection, The President could depart the Skill Center and proceed to the Holding Room. Following a brief hold, The President could depart the Holding Room and proceed to the Motorcade for departure from the Homes of Oakridge en route Des Moines Convention Center.

DENVER, COLORADO

Background - Hank Brown Event

Congressman Hank Brown is a candidate for the United States Senate. He is the only Republican candidate in the race for the nomination. The current Senator, Republican Bill Armstrong, is retiring, thus leaving the seat open.

The Democrats are involved in a primary situation with two candidates in a heated battle to become the Democratic nominee. The purpose for this visit is to raise appropriate funds for voter programs on behalf of Congressman Brown. Brown is currently the frontrunner in a General Election and with proper financing, Brown could remain that way. The fundraising goal for the event is \$750,000.

Theme/Message Development

To help further along the fundraising efforts of the Hank Brown for Senate and promote Republican Party unity.

PROPOSED SCENARIO - Hank Brown Event

The President could arrive Currigan Hall and proceed to Staff Photo room. Upon arrival, The President could begin participation in a Staff Photo with approximately 175 major donors. Upon conclusion of the Staff Photo, The President could depart Staff Photo room and proceed to the Holding Room. After a brief hold, The President could depart the Holding Room and proceed to the Off-Stage Announcement Area. Upon arrival, The President, accompanied by Hank Brown, could be announced into Main Room and proceeds to his Seat. Hank Brown makes brief remarks and introduces The President for Brief Remarks. Upon conclusion of Brief Remarks, The President could depart Stage and proceed to the Holding Room. After a brief hold, The President could depart the Holding Room and proceed to the Motorcade for departure from Currigan Hall en route Stapleton Airport.

HOUSTON, TEXAS

Background - Phil Gramm Event

US Senator Phil Gramm will face re-election in 1990. Senator Gramm, a former Democrat, will be highly targeted for defeat by the Democratic Party. The Democrats will spend a great deal of time and money trying to knock off Senator Gramm.

Statewide campaigns in Texas are second only to California in dollars necessary to run a successful campaign. Senator Gramm hopes to raise \$15 million dollars to fend off Democratic attempts to defeat him. The event in Houston will enable Senator Gramm to raise \$1.5 - 3.0 million dollars to reach that goal. The President's open support and endorsement of Senator Gramm will generate a great deal of positive publicity for both The President and Senator Gramm.

Senator Gramm's success at the "top of the ticket" in Texas will greatly assist other statewide Republican candidates (Governor, Lt. Governor, Attorney General, etc.). Senator Gramm will share his resources with other candidates. Texas will be awarded for new congressional Seats in 1990, it is essential that Republicans win reapportionment process.

Senator Gramm is being challenged by State Senator Hugh Parmer (D).

Theme/Message Development

To assist in the 1990 elections and aide in Republican Party unity.

PROPOSED SCENARIO - Phil Gramm Event

The President and Mrs. Bush could board the Motorcade and depart the Houstonian Hotel en route the Astrodome. The President and Mrs. Bush could arrive the Astrodome and are met by The Honorable and Mrs. Phil Gramm, United States Senate. Following the greeting, The President and Mrs. Bush could proceed to the Holding Room. After a brief hold, The President and Mrs. Bush could depart the Holding Room and proceed to North Lobby. Upon arrival at North Lobby, The President and Mrs. Bush could be announced into Room and proceed to Toast Lectern. Senator Phil Gramm will introduce The President for Brief Remarks. Upon conclusion of Brief Remarks, The President, accompanied by Mrs. Bush and Senator and Mrs. Phil Gramm, could depart the North Lobby and proceed to the Holding Room. En route to the Holding Room, The Host Committee has requested that The President participate in a brief photo opportunity with some of the celebrities that have been invited to the event and who have supported The President during the campaign. These include Fred Travalina, Chuck Norris, Lee Greenwood, etc (Approx 5 minutes).

see College Station - commencement address

Upon arrival at the Holding Room, The President and Mrs. Bush could hold approximately 20 minutes so the guests from the Reception can be moved into the Astrodome. The President and Mrs. Bush could depart the Holding Room and proceed to Motorcade. Upon boarding, The President and Mrs. Bush could depart North Lobby en route Astrodome. Upon arrival at Astrodome, The President and Mrs. Bush could proceed to Off-Stage Announcement Area. The President and Mrs. Bush could be announced onto Stage and proceed to Seats. The President and Mrs. Bush could begin participation in Dinner/Entertainment. At approximately 8:30 pm, Senator Gramm makes brief remarks and introduces The President for Brief Remarks. Upon conclusion of Brief Remarks, The President and Mrs. Bush begin participation in viewing entertainment (Lee Greenwood will perform for approximately 20 minutes). The President and Mrs. Bush could conclude participation in viewing Entertainment, depart Main Hall and proceed to Holding Room. After a brief hold, The President and Mrs. Bush could depart the Holding Room and proceed to the Motorcade. The President and Mrs. Bush board Motorcade and depart Astrodome en route Houstonian Hotel. Upon arrival at the Houstonian Hotel, The President and Mrs. Bush proceed to Suite for RON.

The backdrop will be a blue drape (24 ft. high) with a huge American Flag meeting with the top of the drape. The flag will sufficiently hide the empty stadium chairs behind the stage.

POTENTIAL PROBLEMS

1. The Astrodome seats 62,000 people. As of November 14, 1989, the host committee has 3,500 confirmed attendees. They are expecting 7,000. We have impressed the importance to them of not having it look as if The President is speaking to an empty stadium.
2. Moving the 800 people from the VIP Reception into the Dinner is going to be a logistical concern for the Advance Team. This was discussed at the meeting and the host committee has agreed to do the following:
 - a. Send maps of the Dinner with their invitation so people will know where their tables are ahead of time.
 - b. The Head Table/Dais will be pre-positioned.
 - c. A professional Ushering service will be hired as well as a large number of volunteers
 - d. Waiters will be at every table - holding up the table numbers so people can find their tables easily.

3. Since this is The President's first political event in his home state since he has become President, we expressed a need to have an enthusiastic crowd for the arrival. The host committee has agreed to investigate ideas to get the crowd excited (i.e. a light show or fireworks - both are capable in the Astrodome).
4. Brad O'Leary was the Political Consultant who put together the Senator Mitch O'Connell fundraising fiasco in Kentucky. He is also putting together Senator Gramm's Houston event. Because of his history of putting together big and poorly planned Fundraising events, we recommend that a careful eye be kept on him.

Background - Acres Homes, Carver Park

Carver Park, located in the poor, predominantly black Acres Homes area, was one of Houston's hottest drug distribution centers. According to local police, 25-30 dealers operated in the park every day. In the Spring of 1988, the Mayor, Houston Police, local businesses and area residents launched a program to reclaim the neighborhood. On April 9th, a parade and rally featuring Mayor Whitmire, kicked off the program. Police opened a storefront office in the area, and Acres Homes War on Drugs Committee, a group of community volunteers, used local-business donations to create a comprehensive anti-drug program (education, treatment, neighborhood patrols, youth activities, etc.). According to the police, Ms. Erma Scales, President of the Acres Homes War on Drugs Committee, was the motivating force behind the movement. Her organization has inspired similar committees all over the city.

The most successful achievement this community has done was reclaiming Carver Park. Dr. Ward, a community resident, gave the land to the community to use as a park. The Park however, was taken over by drug dealers and was not utilized by the other community members. It was literally a drive through drug pick up in that kids would drive into the park, buy their drugs and drive away, without even getting out of the car. Today, Carver Park is utilized by many of the community residents and is no longer the drug dealers domain. Thus, this is the best choice for The President to have a drug rally. It is an excellent situation for The President to highlight the enormous community commitment to working with the local law enforcement to push drugs out of their community. In order to get a large crowd, the local Police Department has suggested a flyer be mailed to local communities. A 30,000 mailing list could be obtained through Councilmen Dale Gorkzynski.

One of the Programs exemplifying the Community/Law Enforcement commitment to working together, is Police Activity League (PAL). These are 4 teams (13 -15 yrs old), who participate in basketball games with one another. These teams in their jerseys could be in the backdrop on the stage behind The President. Mrs. Erma Scales, President of the Committee and Ms. Theresa Spencer, active community leader, will also be on the Dais.

NOTE: Carver Park is now officially called Andrew Winzer Park because Andrew Winzer, local Police Officer, was killed in the line of duty in 1987. He grew up in the local community.

Theme/Message Development

This is a good example of the partnership between the community and the Police Department and how the solution to the drug problems in the community lies within the community.

PROPOSED SCENARIO - Carver Park

The President arrives Ellington Field, Houston, Texas and proceeds to board Marine One. The President could depart Ellington Field en route TBD Landing Zone. Upon arrival at TBD Landing Zone, The President could board Motorcade and depart Landing Zone en route Carver Park. Upon arrival at Carver Park, The President could proceed to Off-Stage Announcement Area and hold briefly. The President could be announced onto Stage. TBD will introduce The President for Brief Remarks. Upon conclusion of Brief Remarks, The President could depart the Stage and proceed to board Motorcade. Upon boarding, The President could depart Carver Park en route TBD Landing Zone. Upon arrival at TBD Landing Zone, The President could board Marine One and depart TBD Landing Zone en route Bayou Club Landing Zone. Upon arrival at Bayou Club Landing Zone, The President could board the Motorcade for departure from the LZ en route Houstonian Hotel. Upon arrival at the Houstonian Hotel, The President could proceed to the Suite for Private Time. The Press Platform would be at a 75 ft throw, straight on.

Carver Park provides no exciting visuals. However, the symbolism of the battle fought here to clean up the park and rid it of all the drugs, warrants a Presidential visit. We can create an effective backdrop by having a banner that symbolizes the community's victory against drugs. Furthermore, the Police League Activity (PAL) children could be in bleachers behind The President and the Dais would include black community members who have worked with the police, (i.e. Erma Scales, Theresa Spencer). We could also invigorate the event by bringing in some groups that participated in the War Against Drugs Parade.

These groups have no money. Therefore, if we do decide to do this event, DEA or William Bennett's office should be tasked with the budget.

Carver Park is very large. It could hold up to 10,000 people. Two to Five Thousand people is not unreasonable for us to attain in the Park.

cc S. Rogich

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO CHRISS WINSTON
MARK LANGE
STEPHANIE BLESSEY

FROM: SARA MALTBY 

DATE: NOVEMBER 16, 1989

RE: PRE-ADVANCE TO HOUSTON, TEXAS

CARLA S. EUDY
FINANCE DIRECTOR
FRIENDS OF PHIL GRAMM

2911 TURTLE CREEK
SUITE 700
DALLAS, TEXAS 75219

*Houston 11-15-89
713-0785*

214/528-9680
FAX 214/528-9683

President Bush begins a series of political stops with his first being a visit to Houston on Thursday, December 7th at 7:00 p.m.

The event is a fundraising dinner for Senator Phil Gramm, a long-time friend of the President's. It will be held in the Astrodome with an expected audience 4,000-6,000.

The President will arrive for a VIP reception in Astro Hall with 800-900 top ticket sellers and give brief remarks. (Political affairs will prepare talking points and would like speechwriting to review. It will be closed press.)

For dinner, the President will be seated on the upper dais. At this point it is expected that about 100 people will be seated either on the upper or lower dais.

George W. Bush is on the host committee for this event and has suggested to the President that he stay for the entire event. At the time of the pre-advance, it had not been determined. He will be expected to speak 5-8 minutes and the speech will be put on Teleprompter.

The President will be introduced by Gramm who is being introduced by Charleton Heston. This will either be at 7:30 or following dinner.

The rest of the crowd will be seated on the floor of the Astrodome. This will be a large fundraiser, even by Texas standards, but the size of the Dome will make even this group look small by comparison.

They intend to have some type of fanfare or big extravaganza in addition to 10-12 Hollywood celebrities and Lee Greenwood performing. The options, at the time, included a fireworks display in the dome or cheerleaders leading the crowd in some chants for a rally-type atmosphere.

The event could easily be called the Superbowl of political fundraisers.

As far as information on Gramm himself, I'm sure there's a wealth of it out there. I think a key person to talk to here would be Fred McClure, a Texan and a very good friend of the Senator's.

Campaign Contacts:

Jeb Hensailing, State Director, Gramm for Senate
214/767-3000

Carla Eudy
Finance Director, Gramm for Senate
(card attached)

THE WHITE HOUSE

WASHINGTON

October 23, 1989

MEMORANDUM FOR JAMES R. WRAY

DEPUTY ASSISTANT TO THE PRESIDENT AND
DIRECTOR, OFFICE OF POLITICAL AFFAIRS

FROM: ANDREW B. FOSTER
ASSOCIATE DIRECTOR OF POLITICAL AFFAIRS

SUBJECT: SENATOR PHIL GRAMM FUNDRAISER (12/7/89)

As you know, Dave Carney and I met this morning with Charlie Black and Brad O'Leary to discuss the Gramm fundraiser to be held in Houston on December 7, 1989.

The following is a summary of that meeting, and their proposals for the event.

EVENT: Fundraiser for U.S. Senator Phil Gramm (R-TX)

DATE: December 7, 1989

PROPOSED LOCATION: The Houston Astrodome (Main Floor)

PROPOSED TIME: Early evening (6:30 p.m.-)

ATTENDEE GOAL: 5,000-10,000 people

TICKET PRICE: \$175, \$250, \$500, \$1,000 (To Attend)
\$25, \$50 (Name in Program)

DINNER VICE-CHAIR: George W. Bush, Marvin Bush, Jeb Bush (t)
300-400 Co-Chairmen

PROPOSED SCHEDULE: Pre-Dinner Reception (approx. 800 people)
Brief remarks from podium

Main Dinner (approx. 5-10,000 people)
Remarks

Entertainment

Depart

GRAMM EVENT
PAGE TWO

EXPECTED GROSS: \$1.5 to \$3.0 Million
CONSULTANTS: Brad O'Leary, Charlie Black
GRAMM CONTACT: Jeb Hensarling

ADDITIONAL INFORMATION:

Charlton Heston has agreed to emcee the event, with Lee Greenwood providing musical entertainment. Other celebrities invited: Kevin Costner, Loretta Lynn, Crystal Gayle, Fred Travelina, Cherly Ladd.

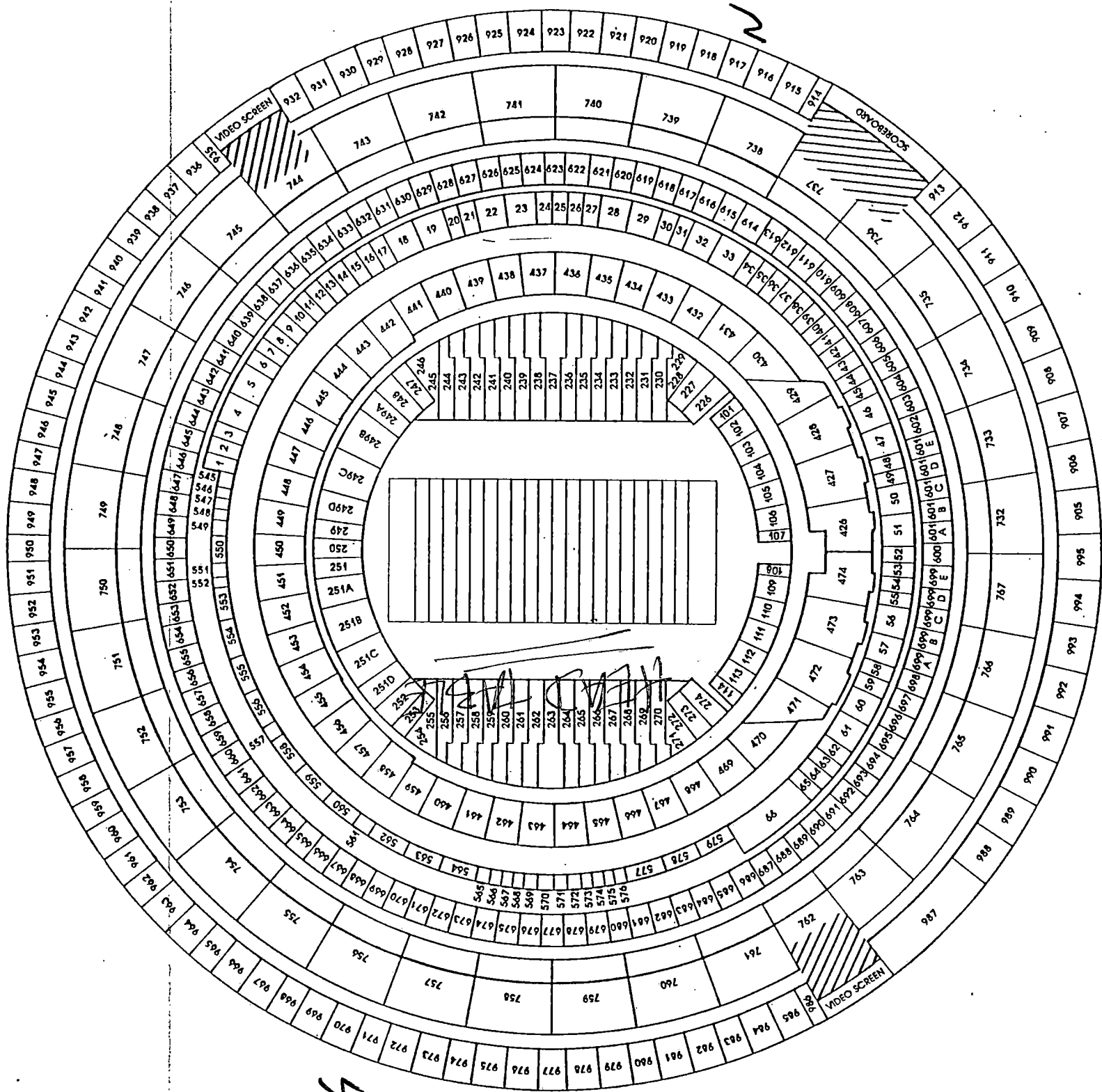
The entertainment portion of the event will be patterned after the Inaugural Gala format. O'Leary has requested that the President stay for the entire event, as opposed to leaving after his remarks. This will obviously differ with our standard 20/20 min. package, but it is likely that George W. will raise the issue with the President.

The pre-dinner reception will be held in a room adjacent to the Astrodome that can accommodate up to 3,000 people.

At the conclusion of the formal program, O'Leary has proposed a small private party for the celebrities (most of whom campaigned for the President) and the President.

cc: David M. Carney
Joseph W. Hagin, II

W



S

WASHINGTON, D.C. OFFICE OF UNITED STATES SENATOR

PHIL GRAMM

Facsimile Transmission

To: Stephanie Blessey
White House Research
From: Jack Thompson
Date: 11-28-89

Number of Pages to Follow: 13

Message: _____

If you have any questions, or experienced difficulties with the transmission, please call at 202-224-2934.

Office of Senator Phil Gramm
United States Senate
Washington, D.C. 20510



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.

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 than 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

(name)
(date)
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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

"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

~~... and ...~~ 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

Sen Daniel Inouye, D-Hawaii, noted she (Dr. Wendy Gramm) is the

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

Policy REVIEW

April 1980

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THE GENIUS OF ORDINARY PEOPLE

Senator Phil Gramm on Conservatism's Winning Ideas

AN INTERVIEW BY ADAM MEYERSON

Background **P**hil 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.

Accomplish 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.

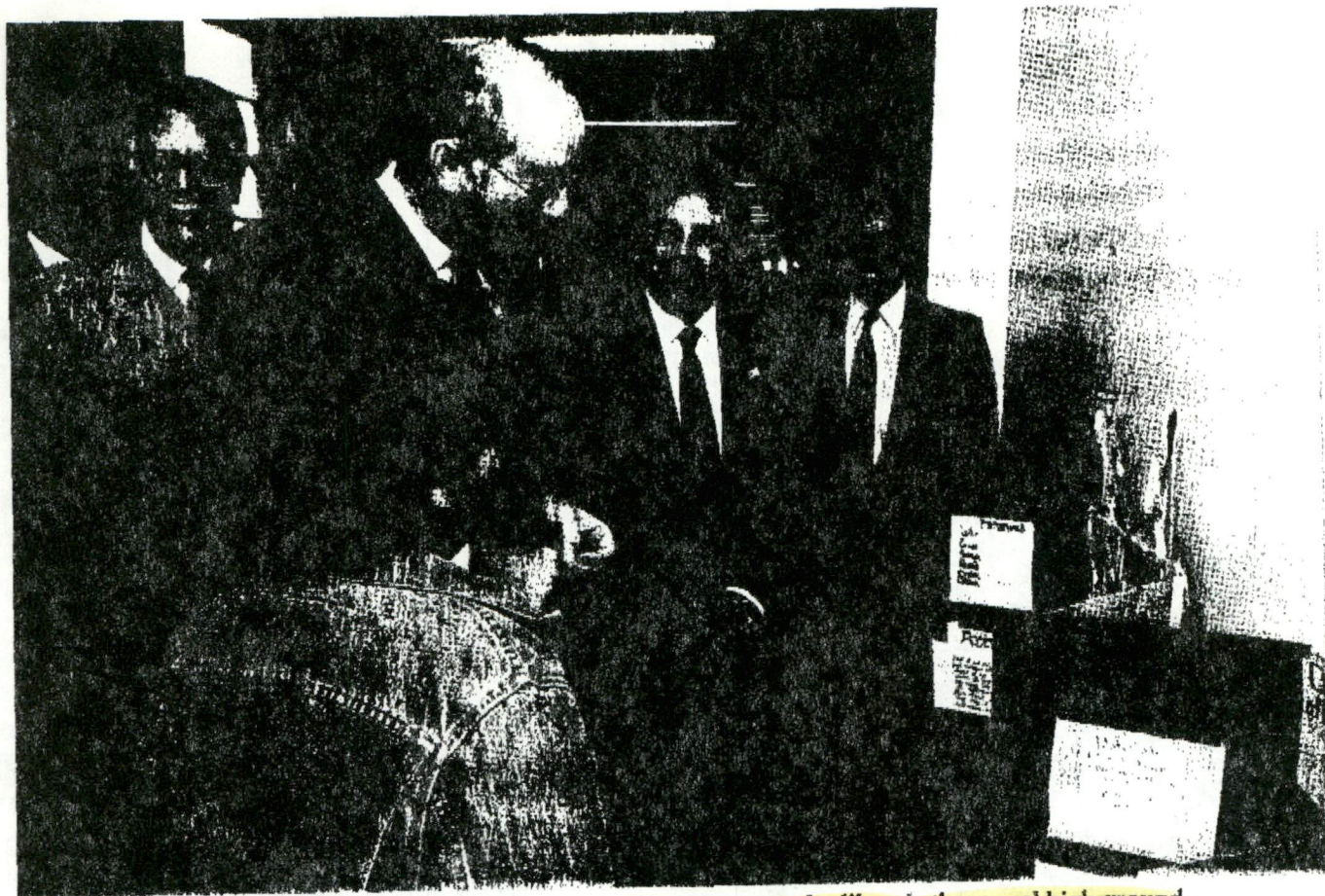
Ronald Reagan created a new conservative majority in America. He did this by defining the central political issue of our times as the choice between more opportunity and more government. For 30 years there was only one idea in Washington and the Democrats had it. That idea was the expansion of government 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.

Partisan 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.



Drawn by the Ambassador 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 initia-

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

tive. 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.

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.

PR: 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.

PR: 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



UPI/Beaman Newsphotos

"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.

PR: 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

DRUGS / PRISONS

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49 LINES

BC-Drug Bill, 0406<

Gramm Says Legislation Would Let ~~Prisons~~ Keep Felons In ~~Tents~~

jddpp<

By JENNIFER DIXON=

Associated Press Writer=

WASHINGTON (AP) Senate leaders are considering a multibillion-dollar, emergency prison construction plan to ease the prison overcrowding crisis in Texas and around the country, Sen. Phil Gramm said Tuesday.

A proposal being discussed also would permit state and federal prisons to house convicted felons in tents to make room for more offenders, Gramm said.

He said the measure would let military bases targeted for closure under the current base-closings plan to be converted to prisons, coupled with stiff, mandatory sentences for selling drugs to minors.

The Texas Republican said the money for the prison construction program would come from the sale of federal assets, possibly land, and "program terminations."

"It would be big, several billion dollars," Gramm said.

Gramm said he discussed the possible drug bill Monday with national drug czar William Bennett.

Provisions would include a mandatory 10-year sentence, without parole, for selling drugs to a minor or using a minor in a drug crime, Gramm said. Repeat offenders would be given life in prison.

Gramm said efforts were under way to develop guidelines for declaring "a national crime emergency" along with guidelines for releasing prisoners because of overcrowding.

He said the federal "mandate" would let state and federal prisons put inmates to work, and "set out in law a program to use closed military bases as prisons, including the emergency provision to remove any legal impediments to putting felons in tents."

The bill, which has yet to be introduced, "has an excellent chance," Gramm said. "Momentum for this is building."

He said there is "no doubt" Texas would benefit from the prison construction plan, and he has mentioned to Bennett some Texas cities that would be interested in being selected for a new prison.

"A lot of cities in Texas would like a federal prison, and I would like to see they have an opportunity to be the host for a new federal facility, which is desperately needed," Gramm said.

"I think that we're going to see continued pressure from the American public for us to end ... the phony war on drugs and begin the real war on drugs," Gramm said.

He 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."

MEMORANDUM FOR THML

FROM: STEPHANIE BLESSEY

SUBJECT: PHIL GRAMM'S SUPPORT OF THE PRESIDENT'S PROPOSALS

Senator Gramm is a co-sponsor of the President's original Excellence in Education Act. He does not support the national teacher's board standards amendment that the Democrats added.

He also supports the President's Clean Air Proposal except for the mandatory use of Alternative Fuels. The Senator believes in maximum reliance on the free market.

Senator Gramm was involved with the Drug Strategy from the beginning. He met with Governor Sununu while it was being drafted.

TELECOPY TRANSMITTAL SHEET

TO: Stephanie BlesseyDATE: Nov. 28TIME: 5:20TELECOPIER #: 202-456-6218FROM: JAY HASS

BROWN BROTHERS HARRIMAN & COMPANY
1531 WALNUT STREET
PHILADELPHIA, PA 19102

DEPARTMENT: _____

(215)864-1853

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AS SOON AS POSSIBLE AT THE FOLLOWING PHONE NUMBER: 215-864-1860

JAY HASS

41 West Springfield Ave.
Philadelphia, PA 19118
(215) 864-1860
(215) 242-4484

TO: STEPHANIE BLESSEY

RE: REMARKS BY THE PRESIDENT AT PHIL GRAMM FUNDRAISER, HOUSTON, TX.

WOULD BE MISLEADING TO REFER TO TEXAS AS THE "LONE STAR" STATE TONIGHT . . .

(LOOK AROUND HIM) I HAVEN'T SEEN THIS MANY STARS SINCE MY LAST VISIT TO
THE NAVAL OBSERVATORY.....

✓ NOW, I KNOW YOU CALL THE ASTRODOME "THE HOUSE OF PAIN"; I GUESS THE DEMOCRATS
MUST BE RUMORED TO HOLD THEIR CONVENTION HERE IN 1992.....

I'VE HEARD PEOPLE DESCRIBE THIS EVENT AS "THE SUPER BOWL OF POLITICAL
FUNDRAISERS." WELL, WITH THE WAY THE OILERS ARE PLAYING, THAT'S A TERM THAT
MIGHT SOUND FAMILIAR ON JANUARY 28TH.....

Notionary

55 Stuffed
Rep. Congr. Deleg.

~~Remarks~~

1989 DEC - 4 PM 7: 26

PRESIDENTIAL REMARKS:

Wendy
Charlton
Lee Grammm

1989 DEC - 4 PM 7: 26

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

(Lange/Blessey)
December 4, 1989
6:45 p.m.
[GRAMM.DOC]

Acknowledgements

Thank you, Phil.

Phil & Wendy, Fred Meigs
Penny Butler (West. Commissioner)

(St. Chairman)

Indy Foster x6510 ((You know, the only thing better than being introduced by Phil Gramm, is hearing Phil Gramm being introduced by Moses. [Charlton Heston introduces POTUS.]

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.))

Press Statement 12/1/89 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. \\\

It's great to be with you, 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.

Gramm

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 eventually 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 Excellence in Education Act.

2005 Speech
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Gramm
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Gramm Press Sec.
Larry Neal
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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 supported our Clean Air Proposal, and helped us craft the right market incentives.

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 we 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-

Clean Air Act Sheet

22k Riverfront 225-0412

3... Neal 3/11/89

Austin Post 10/11/89

X City Sun 9/14/89

Seamont Eagle 3/10/89

Waco Morning Star 9/14/89

3... Neal Gramm's 47005 224-20704

Gramm's bio Q's Pol. Alm p 1425-6

Pc 11

Larry Lindsey
x 6402

Policy Review
Fall 1989

Debbie Klein
BLS
523-1225
Employee
x 400 x in file

Hollings legislation. By helping us fend off tax increases. And by encouraging the kind of incentives that continue to create ^{an average of} over ^{100,000} 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.

Dallas Morning News
5/21/89

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."))

Steve Handel
CEA
5084

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. ((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.))

Catherine
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Gov. & Congress

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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.

*Policy Review
Fall 89*
"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} It's the person who wants the opportunity to get one."

I need -- Texas demands -- and America deserves 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 both ably, compassionately, and well.

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

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and for this reason I want make
this speech too long

(Lange/Blessey)
December 6, 1989
6:30 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), ^{Tom Lockyer (Co-chairman of Campaign)} Lee Greenwood. Members of the Republican Texas Congressional Delegation. ^{And all my friends} Fellow Texans... ^(Tom Landry, Bobby Holt, R. Bowen Pickens, Dan Hagerthy, Charles Wiley)

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

I hear the Astrodome is just about big enough to hold the nation of Monaco. Tall enough that rain clouds form up there. Nice to meet you in such an intimate little setting...))

Sure it's big -- but it'll never be large enough to hold the big heart of Texas. \\\

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.

and that's why I
thought I'd
go on for
a while

210 David

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, which would lead to Most Favored Nation status for the Soviet Union, by the time 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 the Soviet Union, we **know** that arms are going from Nicaragua into El Salvador. And we **also** know that Fidel Castro continues to export revolution -- not just into El Salvador, but into other countries as well.

Such activities in Nicaragua and Cuba weigh heavily on U.S.-Soviet relations. We want this hemisphere free of that burden. We want this to be the first hemisphere made up entirely of free, democratic countries.

The meeting with Mikhail Gorbachev was a great success -- a chance to improve an important relationship. But tonight Malta seems far away. 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 because of it, he was stripped of his seat by the liberal Democrats controlling the process, there on the House Budget Committee.

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. Because of his views and principles, he appealed to Republicans and Democrats then -- just as he does

now. 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 crime. And a balanced budget. We've made progress -- and Phil Gramm has been with us every step of the way.

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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.

In many ways, our fight has been delayed unnecessarily -- some say, unconscionably. I sent a package of new legislation on drugs and crime up to the members of Congress last May. We need action on that package. We need action now. I look forward to working with the members, to get passage of a meaningful crime package early in the next session.

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.

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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 as a share of G.N.P. 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. And I know that Washington will never find a stronger advocate for a disciplined, 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.

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