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City Theater, Mexico 11/27/90 [OA 7563] [2]

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GORBACHEV WARNS OF 'BLOODBATH' IF SOVIET UNION BREAKS APART

MOSCOW -- Warning of a "bloodbath" if the Soviet Union breaks up, President Gorbachev Tuesday pledged to preserve a unified economic system and single army across the country.

Gorbachev's remarks, which were made to an unusual gathering of 1,100 military officers in Moscow, amounted to a direct warning to the country's restive republics against pushing their drive for national sovereignty too far.

He set out the Kremlin's position on the division of power between Moscow and the country's 15 republics during the final stage of negotiations for a new treaty binding them together in a union.

"To use a military expression, the union of sovereign republics represents our last trench line," Gorbachev told the officers, all elected officials of the soviet and local legislatures. "Beyond this lies the disintegration of the state."

(Michael Dobbs, Washington Post, A19)

SALINAS CALLS FOR FREE MOVEMENT OF LABOR ACROSS BORDER

MEXICO CITY -- President Salinas Tuesday called for the eventual free movement of labor across the U.S.-Mexican border, while saying a free trade agreement between the two countries should create new jobs in Mexico and reduce the need for northbound migration.

In a wide-ranging interview with Copley, Salina also said he is concerned about the prospect of a U.S. recession. Mexico's ambitious economic projections are closely tied to a healthy U.S. economy. "We are very worried about the lack of dynamism in the American economy," said Salinas....

Salinas, 42, who will meet with President Bush in the northern Mexican city of Monterrey at the end of this month, said he envisioned the brief meeting would "further enhance" the positive relationship between the U.S. and Mexico. He said along with free trade and cooperation in fighting drug trafficking, increased aid to Central America might be an important topic of discussion.

(Nancy Cleeland, Copley)

U.N. AIDE BOWS TO U.S. CRITICISM BY WITHDRAWING

U.N. -- A top aide to U.N. Secretary General Perez de Cuellar has withdrawn his candidacy for High Commissioner for Refugees and suggested that opponents were motivated by possible racism and anti-Third World bias.

The charges are the latest installment in an unprecedented and frosty exchange between the U.S. and other major donors and the secretary general. Until now, U.S. relations with Perez de Cuellar have been described as warm.

But on Monday, the secretary general issued a statement saying he was "pained and profoundly irritated" by news reports quoting U.S. officials that portrayed the candidacy of Virendra Dayal, his chief of staff, as "cronyism."

(Washington Post, A1)

BUSH, EC OFFICIALS HOLD TALKS ON FARM SUBSIDIES
Neither Side Reports Breakthrough In Dispute

President Bush met with top officials of the EC Tuesday in an effort to resolve a contentious trade dispute over farm subsidies but neither side reported a breakthrough at the end of the discussions.

Bush explored the issue at length during a White House meeting with Italian Prime Minister Andreotti, the current head of the community's council of ministers, and EC President Jacques Delors.

At the end of the talks, Bush said that both sides had expressed a "strong conviction that we must succeed in substantial trade liberalization."

The Administration said the talks would continue with lower level officials from both sides in coming days in an effort to break the impasse. **(Martin Crutsinger, Washington Post, F12)**

CIA ORGANIZED SECRET ARMY IN WESTERN EUROPE
Paramilitary Force Created To Resist Soviet Occupation

ROME -- A secret army created by the CIA during the 1950s to organize resistance in the event of a Soviet invasion of Western Europe has finally come in from the cold, and the disclosures of its past actions are producing a political flap that stretches across the continent.

The existence of a clandestine paramilitary network code-named "Operation Gladio" was disclosed last Thursday by Italian Prime Minister Andreotti in a speech to his nation's Senate. Since then, European officials have described similar operations in most of the other NATO countries.

The CIA-backed paramilitary network included units in Belgium, France, Greece, West Germany and the Netherlands, according to European newspaper and news service reports....

Andreotti told the Italian Parliament that at the height of Cold War tensions in the last 1950s and early 1960s, the Italian unit had hidden caches of arms at depots throughout the country. The operation has now been scaled down, Andreotti said, but more than 600 people remain on the payroll.

(Clare Pedrick, Washington Post, A19)

YELTSIN: GORBACHEV HAS AGREED TO 'COALITION GOVERNMENT'

MOSCOW -- President Gorbachev has agreed to a "coalition government of national unity" that would give Russia, the largest Soviet republic, the decisive say in key cabinet appointments, including the post of prime minister, Russian leader Boris Yeltsin said Tuesday.

There was no immediate confirmation from Gorbachev of Yeltsin's account of the private meeting between the two political rivals. If Yeltsin is correct, Gorbachev has conceded substantial federal power to the Russian Federation and may have signed the political death warrant of his prime minister, Nikolai Ryzhkov. Yeltsin has demanded Ryzhkov's resignation as part of his price for cooperation with the federal government's plans for economic reform. **(Jeff Sallot, Toronto Globe and Mail)**

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2ND STORY of Level 1 printed in FULL format.

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Financial Times

November 2, 1990, Friday

SECTION: SECTION I; American News; Pg. 6

LENGTH: 231 words

HEADLINE: Mexican exchange reserves buoyant

BYLINE: RICHARD JOHNS, MEXICO CITY

BODY:

MEXICO'S international foreign exchange reserves stand at Dollars 8.41bn (Pounds 4.33bn), the highest official level in two years, President Carlos Salinas de Gortari said in a state of the nation address, Richard Johns writes from Mexico City.

The figure compares with the Dollars 12.55bn given by his predecessor, Mr Miguel de la Madrid, in 1988.

Compared with the unruly behaviour of the opposition last year, when there were protests over alleged electoral fraud, Mr Salinas's address got off to a peaceful start. The biggest uproar from the opposition came when he spoke about the new federal electoral code.

The annual address is one of only three occasions in the year when the government declares its foreign exchange reserves. The last disclosure, by the Mexican Banks' Association in July, put them at Dollars 7.12bn.

The increase would be accounted for by higher oil prices since the Gulf crisis and a rising inflow of capital. This is in spite of a trade deficit of Dollars 1.02bn in the January-September period, compared with a surplus of Dollars 52m in the same 1989 period. The government also benefited from a six-month grace period on interest payments on the country's external public debt.

However, Mexico's foreign exchange reserves are presented as a gross figure, which does not take into account short-term lines of credit and obligations to the IMF.

GRAPHIC: Picture, Salinas, sparked uproar

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Mexico continuation

Cover Story

aves on Mexican soil. The plants buy 7% of their parts from the U.S. and sell ext to nothing inside Mexico. Free ade would change that, transforming *naquiladoras* from simple "screwdriv-r" plants to regional companies that ould buy and sell on both sides of the order. "We won't even be using the ord *maquiladora* in 10 years," says aime Bermúdez, a pioneer of the indus-ry in Juárez. The next step, say free-rade promoters, would be to make parts deep in Mexico and ship them hundreds [illegible] the [illegible]. It's already hap-pening with [illegible] companies, such as Kodak, which makes camera parts in Monterrey. Says Donald A. Michie, pro-fessor at the University of Texas at El Paso: "GE, GM, and Packard Electric should tell their suppliers to get their guns down here."

DYNAMIC LEADERSHIP. At the center of this drama is the diminutive Salinas, who by law has only four years left in office to complete his country's astound-ing economic transformation. Salinas has already made Mexico one of Latin America's two most open nations. The other is Chile. The Harvard-trained econ-omist has cut back an army of bureau-crats, weaned his country from depen-dence on oil, and placed dozens of state-owned behemoths, including Teléfonos de México, on the block. In 1989, he lib-eralized foreign investment rules and re-negotiated Mexico's $100 billion foreign debt without a hitch. Still, no avalanche of investment poured in. To his dismay, Salinas found his sprint was still too slow for the fast-moving events in Eu-rope after the Berlin Wall fell.

Only after a whirlwind tour of Eu-rope's capitals early this year did Salinas see how fast he would have to run, say insiders. If Mexico was to compete for the ever-scarcer aid and investment now drawn to Eastern Europe, Salinas would have to go all the way. Shortly after his return, he dropped two bombshells. He would privatize commercial banks. Then, he announced, long-isolated Mexico would say yes to free trade.

Although a free-trade pact is at best several years away, some U.S. compa-nies are already putting down roots deep inside Mexico and thinking well beyond the screwdriver mentality of the *maqui-ladora*. Guadalajara, 950 miles south of El Paso, for example, is becoming Mexi-co's Silicon Valley. Moving away from the *maquiladora* setup, IBM, Hewlett-Packard, Wang, and others are making computers there for domestic and export markets. And suppliers are following. Alabama-based computer parts maker outs to operate it. SCI has now found other customers in Guadalajara and is beginning to export.

Mexico's thriving auto industry is even better poised to take the country into a new stage of industrialization. The big carmakers have been using eager Mexican workers, who pull in $2.50 an hour, to piece together cars and compo-nents. Now, they're charging into more sophisticated operations. Ford has spent nearly $1 billion on its export facility in



CRUSADER SALINAS Mexico's President and George Bush will meet in late November to launch trade talks

Hermosillo, where it produces Mercury Tracers for the U.S. Nissan Mexicana is investing $1 billion in a new car plant in Aguascalientes, and nine of its Japanese suppliers are following. Many of the automobiles will be shipped straight back to Japan.

BEETLE MANIA. Meanwhile, Volkswagen, with its sole U.S. plant shuttered, has shifted its entire North American pro-duction to Puebla, east of the capital. VW even hopes to resuscitate exports of the venerable Beetle, shipping them to Cen-tral America. "We're going to see invest-ment pouring in here," predicts Nicholas V. Scheele, president of Ford's Mexican unit. "The dollar numbers are going to make people's heads spin."

Japanese companies, with 65 *maquila-*

America looms large. In Juárez, junior high school dropouts employed by Seiko-Epson Corp., the Japanese watchmaker, operate $100,000 machines to make plas-tic eyeglass lenses. Although technically a *maquiladora*, "we're really a chemical plant," says manager Hiroo Sakami. He points to the soccer field next door and says: "We'll have another plant out there by next year." While most Japa-nese companies are playing it safe with border-based *maquiladora* manufactur-ing, they are likely to flood farther south in the wake of a free-trade deal.

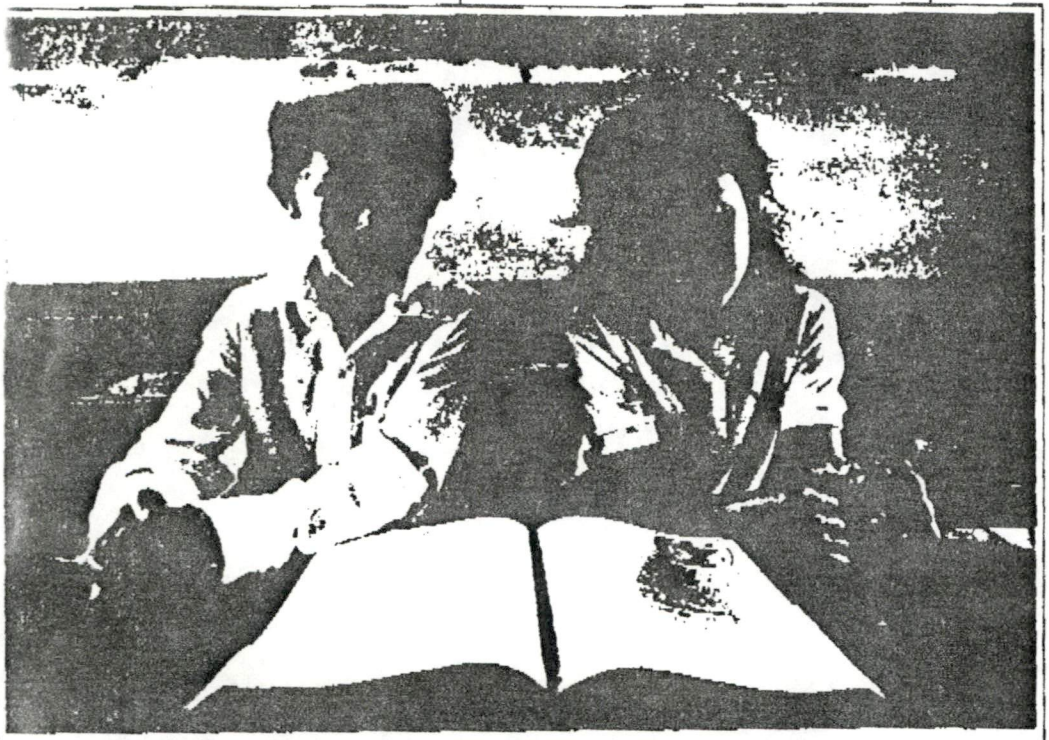
Japan's already impressive [illegible] gives pause to even the Bush Adminis-tration's free-trade ideologues. The Bush-ites want guarantees that Asian and European rivals in textiles, steel, and computers, for example, won't bom-bard the U.S. market from bases in Mexico. One way to ensure that is to establish tough rules of origin. Products enjoying Mexico's easy access would have to be made largely of North Ameri-can parts. Those with high Asian or Eu-ropean content would face U.S. import duties. American trade experts also say a pact must provide legal protection for U.S. patents and technology south of the border. And they want to wipe out the remaining constitutional restrictions on foreign investment in Mexico.

MEXICAN CRUDE. Another touchy issue is oil. The U.S. wants Mexico to open up its undercapitalized oil industry to Amer-ican investment—which is prohibited by the Mexican constitution. Mexican offi-cials insist that oil is not on the table, and Salinas vows the constitution won't be amended. But private analysts in Mexico say that oil is a bargaining chip. Says Rogelio Ramírez de la O, director of Ecanal, an economic consulting firm: "Eventually, Pemex has to go on the market." For the U.S. industry, an open-ing would stretch the oil patch south, bringing exploration and development contracts. And faster flows of Mexican crude could lessen dependence on Mid-east suppliers.

Mexicans, meanwhile, are eager to tear down U.S. quotas on textiles and steel and to open U.S. markets to cur-rently prohibited fruits and vegetables. Mexico grows more avocados than any country in the world, for example, but sells none in the U.S., thanks to protec-tive rules favoring California growers and allegations that Mexican avocados are infested with worms. The coming California avocado war is likely to be replayed dozens of times as industries with strong lobbies, such as textiles and cement, fight to protect their turf. Un-raveling these import restrictions could

ount on strong support from Bush and he two Texans in the Cabinet: Commerce Secretary Robert A. Mosbacher nd Secretary of State James A. Baker II. Aside from their ideological sympahy with free trade, the Texans are said o be fond of the Salinas crowd. Mosbacher and Jaime Serra Puche, his Mexican counterpart, hunt quail together. "There is a deep personal commitment driving this [free-trade agreement]," says an Administration official.

At the same time, Mexico's political future is shrouded in mystery. For the moment, Salinas sits firmly on top of Mexican politics. His opposition is divided, and the once-powerful union leaders have been dispatched to the political tar pits. Despite widespread skepticism about Salinas' continental gambit and Mexico's role as a source of cheap labor, only an economic collapse would galvanize a viable opposition. That's why Salinas' ability to push forward a like-minded successor in 1994 rests on the success of free trade. If an accord founders in the U.S. and Mexico's economy stalls, the presidency could be up for grabs.



STAYING IN SCHOOL The literacy rate of Mexican workers is 87%, high for a developing country

But that won't be the case with an increasingly independent Congress. Mexican sensitivity to insult is always near the surface, and if Congress sought to inflame it with televised hearings on election fraud or police torture south of the border, it's likely the anti-*yanqui* fury would itself be enough to force Salinas away from the table. "That's his nightmare scenario," says Mexican commentator Jorge G. Castañeda, a frequent critic of the youthful President.

'VOLATILE ECONOMY.' Investors also worry that Salinas could trip over the economy on his way to free trade. Inflation, which dropped below 20% last year, is back up to a 27% annual rate now. With congressional elections next year and oil revenues riding the Iraq bonanza, investors fear the government will pump more money into the economy, undermining its anti-inflation pact. Says Marcelo Canales Clariond, finance director of Grupo Imsa, a Monterrey steel company: "Mexico continues to be a risky, volatile economy."

Politics, though, aren't dampening the spirits of Mexico City's wheeling-and-dealing business elite. From boardrooms on the border to the posh restaurants in downtown Mexico City, they're drawing up plans for free trade. Big companies are buying and selling smaller companies, hunting for niches in the coming market. Corporación Industrial Sanluis, for example, was originally a mining company sold to Mexicans by the Hearst publishing family 10 years ago. With free trade in the offing, the Mexican owners have swerved into manufacturing. Two years ago, they bought auto parts maker Rassini from the government. Rassini buys technology from Japan's NHK Spring Co. and competes head-to-head in the U.S. with Eaton's plant in Windsor, Ont. Its exports are up to $100 million. Meantime, Sanluis bought the Hyatt hotels in Mexico. The company's philosophy? Says Chief Executive Officer Carlos Madrazo: "Everything we do generates dollars."

International investors are also vying for chunks of some of Mexico's biggest public companies. The sale of the telephone monopoly is the world's fourth-largest privatization and has set off a bidding war among investors from three continents. Major names such as America West, Nynex, Bell Canada, and Telefónica Española are lining up Mexican partners for the bid and the prospect of big supply contracts. The winner will be announced next month. Foreign banks, too, are sniffing around for minority shares of Mexico's big three: Banamex, Bancomer, and Banca Serfin.

EGGS AND SALSA. What's more, there could be a scramble to reach Mexico's largely untapped consumers. High growth in the 1950s and 1960s gave birth to an educated middle class, but the country's trade barriers created a huge pent-up demand for imports. Ever since tariffs tumbled after Mexico joined the General Agreement on Tariffs & Trade in 1986, the Mexican middle class has been on a consumer binge for U.S. products, sweeping in imports of Pampers and Miller beer. Trade pact boosters now claim this demand for the small stuff will spill over into big-ticket purchases of cars, refrigerators, and washing machines. In Mexico City, says James W. Maxfield, president of El Paso-based Mantor Electronics Inc., you can reach 20 million people with a single TV signal.

Mexico's import splurge is, of course, transitory, if only because the trade pact will encourage American companies to make more finished goods in Mexico. But blending cultures and economies is a long-term proposition. The little things, such as Mexicans spreading peanut butter on tortillas and Americans spooning salsa on their eggs, are growing into big ones, evident in the number of bilingual schools already flourishing on both sides of the border. Legitimate American fears of losing jobs and Mexican phobias about becoming the 51st state remain large obstacles. But the continental shift under way is already etching a new commercial trademark for the world: Made in North America.

By Stephen Baker in Mexico City, with Elizabeth Weiner in New York and Amy Borrus in Washington

Continued on page 112

Mexico [redacted]

~~Uruguay Round~~ Hemisphere Theme

250,000 / 25,000 = 10%

Mexico - annual exchange - <u>Summit</u>
<u>Free Trade agreement</u>

/ Reagan - Lopez-Portillo /

Salinas - pol. reform, human rights -
State of Union -

Will be 6th meeting Salinas

Met in Houston as Presidents-elect
Were going to Mont., but couldn't -
Monterrey hometown Salinas -
Two heads of state but personal

Oquas (Pequas ?) 100 miles north
of Monterrey / then to Mont.

Major address to city leaders /
Town Square / draft of Theatre
speech, major substance address.

Salinas has been to Camp David -
But [redacted] now on to
Salinas' home.

Bejing: relationship has never been
better. Theme / Salinas State of
Union last week - Mexico's Identity /
[redacted]

1ST to successfully negs. debt reduction
under Brady Plan /

Open

Sound on themes -

Lot about Bonds between country -

cooperation on wars -

INITIATIVE for America's Enterprise submitted to Congress.

Noteworthy + newsworthy - Free Trade Agreement

* Worlds largest Common Market *

challenges not North / South

PASSED Electoral Reform / Human Rights

just touch on in context in modernization -

Salinas - Father Cabinet Minister Trade.

[Tell about Fathers, belief in Public service.]

Check B. Bush auto. for other

EPA - Mexican equivalent working together

Progress - stars come out / painting sky / 10 stars

→ Clean Air Act.

Colonia

THE WHITE HOUSE

WASHINGTON

November 15, 1990

MEMORANDUM FOR YOU

FROM: ME M

SUBJECT: CERVEZA

Buena Noche is a beer made only at Christmastime by Carta Blanca in Monterrey. This is from Anna Nava at the Embajada de Mexico (728-1600).

THE WHITE HOUSE
WASHINGTON

Salinas' father, Raul Salinas [Rah-ool], was the Commerce Secretary in 1958, Ambassador to the Soviet Union from 1979-80, and more recently, Senator from Nuevo Leon.

This is from Jim Huff at State.

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13TH STORY of Level 2 printed in FULL format.

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NOVEMBER 22, 1988, TUESDAY

SECTION: CANDIDATE & ELECTION RELATED INTERVIEWS & DEBATES

LENGTH: 370 words

HEADLINE: REMARKS BY PRESIDENT-ELECT GEORGE BUSH AND
PRESIDENT -ELECT CARLOS SALINAS DE GORTARI OF MEXICO
JOHNSON SPACE CENTER
HOUSTON, TEXAS

KEYWORD:
REMARKS BY PRESIDENT-ELECT GEORGE BUSH

BODY:

PRESIDENT -ELECT BUSH: Let me just say that it has been my good fortune to spend a few hours with the President-elect of Mexico, President -elect Salinas. And we've begun a dialogue that I think both of us want to have on-going. We discussed a wide array of issues, specific issues. And I am absolutely confident after this initial visit that we are both committed to improving a bilateral relationship that is essential in my view as far as the United States of America is concerned.

I had occasion to thank President -elect Salinas for coming to my homestate, my hometown, a courtesy that I will not forget. And so let me again, sir, thank you and your associates for coming our way. We wish you Godspeed. We wish you a very successful six years as you assume your important responsibilities. Thank you and God bless you.

PRESIDENT -ELECT SALINAS: I wish to point out that this morning, before I left Mexico for this meeting, I pointed out that I was coming to this meeting with President -elect Bush in a spirit of promoting our relations and Mexico's interest. And I wish to point out at this point that the result of our dialogue has been all that I expected and what I did say this morning. It has been a positive, a respectful, and a cordial dialogue which I am certain will do a great deal to improve the relations between Mexico and the United States. The fact that the President-elect of Mexico and a new adminstration in the United States coincide and also that subjects and issues of interest to Mexico are subject and issues to the United States turns this into a very meaningful dialogue which I am certain will be for the good of our future.

I thank President -elect Bush for his kind hospitality. I also wish to thank the people of Houston and through them, the people of the United States and I wish to thank all the people of the United States and of Mexico for the interest that they have shown which will lead certainly to better things. And I now wish to say that I recognize the great love of President -elect Bush for his native city and I would like to receive him in my own city, for which -- with which I have great loving ties.

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1.) POTUS / Salinas / Houston / 1988

Johnson Space Center YES!!

2.) Salinas, son of man who was in Mexican govt.

Commerce Sec.

1958

Am. to Sov. Un.

79-80

Senator from Nuevo Leon

Mexico desk, St. Dept.

Jim Huff

647-9894

Raúl Salinas Lozano

Richard Cohen

Under Cover of Daylight

There's a story about John F. Kennedy that goes like this. Asked how he was going to announce that he had chosen his own brother Robert as attorney general, the president-elect said he would wait until about two in the morning, open the door to his Georgetown house and whisper, "It's Bobby." In this way, and in this way only, George Bush is a Kennedy.

Whispering George said the other day that American forces in the Persian Gulf region would be greatly expanded. Another 150,000 soldiers would be dispatched (nearly doubling the force already in the Gulf) and with them commensurate amounts of tanks, planes and even another battleship, the storied Missouri. This, Bush said in a statement, would provide the United States with "an adequate offensive military option"—in other words, what it takes to go to war.

And just when and under what circumstances did Bush reveal that the United States might go on the offensive in the Persian Gulf? Was it in a grand televised speech to the nation? Was it in an address to a joint session of Congress, one of those March of Time occasions dripping history? No, neither one. The president held a news conference. In fact, and in greater detail, the president held an *afternoon* news conference. Chances are you were at work.

George Bush came to the White House determined to be the anti-Reagan. Not for him, this man of detail and acronyms, were the props of the Ronald Reagan years nor the excessive—even obsessive—concentration on public relations. George Bush would have no Michael Deaver. His press conferences would be frequent and much more modest events—none of those grand Reagan entrances with the president like some aging Hapsburg monarch arriving for a court occasion. Like wholesome food, Bush's approach is admirable. Like wholesome food, it is also boring.

Worse, Bush's approach is misleading. A president who holds a daytime press conference, televised though it may be, is signaling that he's not got much to say—and doesn't particularly care if he isn't going to get much of an audience. The reason daytime television has significantly lower advertising rates is that it has significantly fewer viewers—and not the sort of viewers, incidentally, who can accurately be called opinion makers. They howl when their soaps are interrupted.

It's one thing for Bush to be the homespun anti-Reagan, quite another for him to essentially duck the American people. This president seems loath to bring the people bad news. Take, for instance, the manner in which Bush reversed himself on taxes. The medium for this announcement was the bulletin board in the White House press room. Had Bush taken to the airwaves, had he bothered to explain his about-face to the American people, both his reputation and his approval rating might not have taken such a beating.

Now the president is doing something similar when it comes to the far graver matter of war. It's not that he need be embarrassed about the course he has chosen. He has led the nation honorably and with some skill in this matter: Saddam Hussein is wrong; Iraq must pull out of Kuwait; the taking of hostages is immoral and the harming of them is unforgivable. Nothing to be ashamed of there—although that's not to say that the refusal to negotiate (or at least pretend to) and provide Hussein with a way to save face is such a smart move. It's not—and it ought to be tried.

But war with Iraq, should it come, might well turn into a horror. Washington has its scenario *du jour*—everything from a quick capitulation by Baghdad after the Air Force does its work to a prolonged ground war in which many thousands of Americans die. Add to that latter scenario the fears of some experts that a war would convulse the Middle East and no moderate Arab regime would survive, and you have more than enough for the American people to chew on—and, maybe, question.

Over and over we commentators are told by military experts to watch our analogies: The sands of Araby are not the jungles of Vietnam. True enough. But the U.S. effort in Vietnam suffered from a scarcity of candor and from the reluctance of politicians to operate like honest loan officers: Here are the costs. Full disclosure was warranted then, and it is warranted now.

A president has an obligation to explain as best he can why he may ask some people to die—and many more to kill. This is George Bush's solemn obligation. A prime-time television speech is in order. How can we read Bush's lips if we can't even see them?

Statement by Press Secretary Fitzwater on the President's Meeting With the United States-Mexican Binational Commission

August 8, 1990

President Bush met today with the U.S.-Mexican Binational Commission, whose annual meeting is taking place today in Washington. President Bush praised the work of the Commission, noting that the high-level attention given to its work is a sign of the importance both countries attach to managing their special relationship in a coordinated and amicable manner based on mutual respect.

Secretary of Commerce Robert Mosbacher and Mexican Secretary of Foreign Affairs Fernando Solana reported on the Commission's discussions of bilateral and international issues. These included trade and investment, antinarcotics cooperation, border relations, environmental issues, education, and agriculture.

President Bush heard from U.S. Trade Representative Carla A. Hills and Mexican Secretary of Commerce and Industrial Development Dr. Jaime Serra Puche, who jointly recommended to him and Mexican President Salinas the formal initiation of negotiations on a comprehensive bilateral free trade agreement (FTA). President Bush was pleased to learn that the Ministers agree that an FTA could create a more prosperous trade and investment relationship between Mexico and the United States and that they found substantial support in both countries for this view.

President Bush announced that, if President Salinas agrees, he expects to notify Congress formally when it reconvenes in September of the intent of the United States and Mexico to negotiate an FTA.

President Bush lauded Mexico's aggressive drug enforcement policy, which has given Mexico the world lead in cocaine seizures. The United States will continue to support these efforts through law enforcement cooperation and material assistance.

President Bush reiterated his admiration for President Salinas' dynamic leadership. He said he looked forward to his state visit to Mexico later this year in Monterrey, in President Salinas' home state, where the two Presidents will continue discussions on the issues dealt with in the Binational Commission.

Appointment of Frances McMurtray Norris as Special Assistant to the President for Legislative Affairs

August 8, 1990

The President today announced the appointment of Frances McMurtray Norris as Special Assistant to the President for Legislative Affairs. She would succeed Nancy Dorn.

Since 1989 Mrs. Norris has served as Director of Congressional Relations for the Office of National Drug Control Policy. Prior to this, she served as Assistant Secretary of Education for Legislation; assistant to Representative Trent Lott, the Republican whip, on the House Rules Committee; and legislative assistant to Representative G.V. Montgomery.

Mrs. Norris graduated from the University of Mississippi (B.S., 1968) and the University of Kentucky (M.S.L.S., 1970). She is a native of Jackson, MS, and resides in McLean, VA with her husband, Stephen.

Nomination of Jeanne S. Archibald To Be General Counsel of the Department of the Treasury

August 9, 1990

The President today announced his intention to nominate Jeanne S. Archibald, of Virginia, to be General Counsel of the Department of the Treasury. She would succeed Edith E. Holiday.

Since 1989 Mrs. Archibald has served as Deputy General Counsel of the Department of the Treasury. Prior to this, she served as Deputy Assistant General Counsel of the Department of the Treasury, 1986–1988; Associate General Counsel and Chairman of the Section 301 Committee at the Office of the U.S. Trade Representative, 1980–1986; and a professional staff member on the trade subcommittee for the Committee on Ways and Means, 1975–1980.

PP 1251

complete, and unconditional withdrawal of Iraqi forces from Kuwait and the restoration of Kuwait's legitimate government. These latest conditions and threats are another attempt at distracting from Iraq's isolation and at imposing a new status quo. Iraq continues to act in defiance of U.N. Resolutions 660, 661, and 662, the basis for resolving Iraq's occupation. The United States will continue to pursue the application of those resolutions in all their parts.

Statement Announcing the Lifting of Restrictions on Soviet Businesspeople in the United States

August 13, 1990

I have today lifted our longstanding ceiling on the total number of Soviet businesspeople who are permitted to work and reside in the United States. This action is taken as an expression of our policy to build a more normal economic relationship with the Soviets. It is also consistent with our interest in expanding business contacts and trade with the U.S.S.R. At the Malta summit last December, I proposed a work program for closer economic cooperation between our two countries. At the June summit in Washington, we signed four landmark economic agreements, including a trade agreement to expand and deepen our economic relationship. Our work continues, and as I stressed at Houston, we now place special emphasis on technical economic cooperation to help institutionalize lasting, market-oriented economic reforms in the U.S.S.R.

Our businesspeople in the U.S.S.R. and Soviet businesspeople here play an important role in this process. The time has come to eliminate obstacles to commercial presence in both of our countries and to allow the number of resident businesspeople to grow in tandem with the expansion of our economic relations.

We have made clear to the Soviets that we retain the right to reconsider our decision should there be evidence that this opportunity is being misused for intelligence gathering or other inappropriate activities.

The step taken today will of course be important to establish overall equality of opportunity for American businesspeople resident in the Soviet Union. I believe President Gorbachev shares my view and will ensure that our efforts are matched with reciprocal improvements in the climate for American business in the U.S.S.R.

Statement by Press Secretary Fitzwater on United States Interdiction of Iraqi Shipping

August 13, 1990

There seems to be some confusion about what is covered in terms of our interdiction efforts. When the President said "everything," he obviously meant everything that is included in the U.N. resolution. We do not intend to go beyond the resolution. Specifically, the resolution lists those items covered and says, "but not including supplies intended strictly for medical purposes. . . ."

The President's News Conference

August 14, 1990

Federal Budget Negotiations

The President. Excuse the slight delay on the timing. I was just on the phone with Mr. Mandela [African National Congress leader].

Let me just say—I have a statement here on the—[*laughter*]—it's that kind of world, I'll tell you. And with your forbearance, I will make a statement here at the beginning. Bear with me. It may be a tad longer than we're used to in this press room, but I want to get in focus the question of the budget.

I know that the focus of the media attention today, and understandably, is on a crisis 6,000 miles away. But there's another important, well-known, longstanding crisis at home, and that's the failure of the budget process to produce a solution to this nation's terrible deficit. Even while we address our critical international obligations, we must address that persistent, real need. There-

fore, I want to just take a few minutes to talk about that.

Our current budget, or lack thereof, constitutes a real threat to the economic well-being of this country. In this case, the problem is a lack of action on the part of the Congress, an abdication of responsibility that endangers our economic vitality and the jobs that go with it.

It is no secret to the American people that the congressional budget process has broken down. Over the last couple of decades, we've seen the real problems of overspending. We've seen the stalemate in budgeting which is the result of internal congressional conflicts and a committee system that is so complex that not only have the hard decisions been postponed or avoided but today nearly all budget decisions are being finessed.

Previous Presidents have urged fundamental budget reform. We can all remember President Reagan slamming down that massive continuing resolution. And yet Congress has failed to straighten out this procedural monstrosity. As a result, the deficit continues to grow.

With the growing threat such deficit spending poses, I took the initiative in May in calling on the Democratic congressional leaders to join me in a bipartisan summit on the budget. The success of this summit is essential to ensure the economic health of the Nation; to resolve once and for all the deficit dilemma; and in doing so, to avoid the painful sequester cuts which will occur without an agreement.

As the talks flagged, I acted to jump-start them, and you're all familiar with that. When the Democrats sought to hold the talks hostage over new revenues, I made a very difficult decision to put everything, including taxes, on the table to make those budget talks succeed. To keep those budget talks going, I feel I kept my share of the bargain. The administration refrained from divisive rhetoric. We worked in earnest. We held meeting after meeting without any preconditions and emphasized the need, above all, for progress to put a budget package together. We offered billions in additional spending cuts even as congressional committees were voting out spending bills that would bust the budget.

On July 26th, both sides agreed to put budget plans on the table. We again had a complete proposal ready for negotiation. After weeks of good faith negotiating, we honestly believed there would be a specific Democratic plan in exchange.

While the summit failed to move forward with specific solutions, the Congress continued with counterproductive legislation. For example, the House has already passed 10 appropriations bills, 8 of which exceed my request for discretionary spending by $14 billion and are $25 billion higher than the budget for last year. And the Senate is asking that the taxpayer now put up another $150 million to finance election campaigns of Congress. And let me be clear on that one: I oppose adding this kind of taxpayer financing of congressional elections, and I'm going to veto any such bill that appears on my desk.

Congress is now on recess; and 100 days after I called on Democrats and Republicans in the Congress to work with me toward a bipartisan solution, I note, frankly in sadness, that after 3 full months the Democrats have yet to offer one single proposal at the budget summit.

I've been reluctant to go public in this manner. We've dealt in good faith with the leaders. We have played by the rules. Now it is up to the Democrats who control Congress—it is up to the Democrats in Congress.

I stand ready to work on this process as long as it takes to get a 5-year package which solves the problem. I've postponed what I think was a very important September trip to Latin America so as to focus on this issue. There are, however, a number of specific realities to be noted.

First, it's the Congress that has the responsibility to pass a budget. While they have the power of the purse, like any President, I've got the power of the veto pen; and I will use that pen to veto any and every spending bill that busts the budget.

Second, if no agreement is reached, that means a sequester on October 1st of about $100 billion. As painful as such deep cuts would be, I must uphold the law. I'm determined to manage them as best I can, knowing I've done all in my power to avoid them. So, the Democrats in Congress should

know that if it comes to sequester they will bear a heavy responsibility for the consequences.

Third, if the Congress really wants economic growth and increased government revenues, the place to start is not with tax increases but with incentives for growth, investment, and jobs. And again, I cite the capital gains area as one that would stimulate and be investment-oriented.

Fourthly, the Congress must recognize the utter failure of their budget process to control spending. It's got to be reformed; the process has to be reformed.

Fifth, our budget must maintain a defense posture consistent with the demands on American leadership in the world and in the dangers we face.

And finally, the Democratic leadership of Congress must understand that the American people expect them to get that job done—to come forward with concrete proposals to cut the deficit. I and the members of my administration stand ready to work with them in meeting these obligations.

And I know that it's a complicated time for our country, but it is essential that the American people focus—as they are now on international matters—also focus on the domestic problems we face in terms of budget. That's why I'm doing this today. Congress will be back soon. I hope we can rejoin these talks and get this budget deficit under control once and for all.

Now, I'll be glad to take some questions. Who is the first? Helen [Helen Thomas, United Press International]?

Persian Gulf Crisis

Q. Mr. President, I have a two-part question. After successfully internationalizing opposition to the Iraqi aggression through the U.N., why did you jump the gun and unilaterally order a blockade, upsetting other members? And two, is the U.S. policy against the annexation of captured lands in the Middle East an across-the-board policy with the U.S.?

The President. Upsetting—I don't think we've upset members on our policy of interdiction. We are acting within our legal rights. And I think the world wants to see these chapter 51 sanctions carried out, and that's the role that the United States is trying to do.

Q. We didn't go through the step-by-step of chapter 7.

The President. Well, we're doing it the way our attorneys and others around the world recommend. And I think we're doing it properly, and I hope we're doing it to the degree that all ships will turn back if they are in contravention of the U.N. action.

Q. How about the last——

The President. Last? What was that?

Q. Opposition to annexation of conquered lands—is that our policy?

The President. I can only address myself in the current—currently. I don't know whether there are any exceptions or not; but I know that annexation, if this is what one calls this invasion of Kuwait, is unacceptable and that it won't stand.

Q. Mr. President, Jordan says that it's abiding by the U.N. sanctions, yet truckloads of goods are rolling through Jordan into Iraq, coming from the port of Aqaba. Do you think that Jordan is subverting the sanctions? And what will you do about it?

The President. Before I answer your question, I ought to let King Hussein [of Jordan] tell me what is happening. And if a country is permitting a flow of commerce, it would be in violation of the sanctions. But he's coming here, and I'll have a chance to talk to him and explain the U.S. view, though I'm pretty sure he understands it clearly.

Q. Let me ask you: What do you think about King Hussein's charges that the American forces in the Persian Gulf have created an explosive situation?

The President. I don't know what he means by that, but I don't agree with that. I think we are there not to have the situation explosive but to supplement fully what the United Nations has done in condemning this outrageous aggression. So, we'll discuss that one, too. It's going to be an interesting conversation, I see, if you're writing his agenda for him.

Q. Why is King Hussein coming? When he called to ask you that he'd like to come—his brother has told reporters in Jordan that one of Jordan's problems is it would suffer so economically if it abided by the sanctions, that they complained that they had no guarantees or assurances from



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The President. Maybe that's what he wants to talk about. I hope it is because, clearly, we've always been a friend of Jordan. We've helped them in the past; we'd help them in the future if they fulfill their obligations here. Ann [Ann Compton, ABC News], I can just tell you what he told me on the telephone yesterday. When he called, he said he'd like to come over and talk about the whole situation. There was no agenda. There was no discussion of any support for action of that kind.

Q. But you are willing to support him economically or have other countries in the region help him?

The President. I think we would, provided Jordan joined these other countries in fulfilling these obligations under the sanctions.

Q. Mr. President, is there any hope at all of a diplomatic solution to this crisis?

The President. I don't see it right now. But as the sanctions begin to take effect—and it's going to take a while—I would hope there would be a diplomatic solution to this crisis.

Q. But, sir, the other day when Saddam Hussein [President of Iraq] offered his proposal, which I realize was totally unacceptable to you—I mean, could that serve as a basis for perhaps some type of negotiation?

The President. I don't think just any proposal serves as a basis for negotiation. No, I don't see enough positive elements there to think that that would be a basis for a negotiation at all. It was bringing in extraneous problems, and it did not address itself to the fundamental problem, which is that they took over Kuwait and that they've got to get out of Kuwait and they've got to let the rightful rulers return to Kuwait. So, I don't see that as a possibility to negotiate from those proposals at all.

Q. Mr. President, you have ambassadors coming to the State Department, presumably to discuss a U.N. multinational quarantine, or interdiction, whatever word you want. Is it now the policy of the United States to potentially submit to a joint U.N. command or to reflag U.S. ships under a U.N. command?

The President. That is not the plan right now, but we are talking to see how we can make this naval presence most effective. What you've said there is not the policy of the United States.

Q. Well, sir, may I ask: Do you consider in any way—there are reports out of the U.N. that there is some criticism that you have acted unilaterally and perhaps outside your legal authority in the de facto blockade that's going on. Do you consider that you've had your hand slapped, or do you think——

The President. No, I don't think so at all. And I think we're acting legally. So, this little meeting that was called by Cuba yesterday—it doesn't disturb me in the least. I mean, there can be differences, people can discuss them. But I'm convinced we're acting properly, and we are determined to continue to act in that manner.

You see, Perez de Cuellar [U.N. Secretary-General] apparently talked about only the U.N. through resolutions can decide about a blockade. But he also said every country has the right to bring up article 51, and the Secretary-General had nothing to say against it. And we have good opinions that we are acting properly. And I have no intention to change at all. I think it's important that others join in and do their part, which most of them are doing in their determination to see that commerce does not continue.

Q. Mr. President, given the staggering number in the deficit and the cost of the military operation in the Gulf and in Saudi Arabia, doesn't it make sense that some of the countries that are relying on us will pay some of the cost? I'm thinking, of course, of Japan, Germany, France, Italy. Shouldn't they pay some of the cost of our troops over there?

The President. I think that we will find a very cooperative spirit in that regard from countries. I am convinced, from a good talk I had—I think it was yesterday—with Prime Minister Kaifu that the Japanese are more than ready to entertain proposals along those lines. I've not talked to Kohl [Chancellor of the Federal Republic of Germany] about that recently. France, of course, has vessels and are spending funds on their own right now. I think we'll have a cooperative effort here—some on the financial side, some on the military and shipping side.

Q. What about the Saudis themselves, the most direct beneficiaries?

The President. Yes, I think the Saudis will do their part in helping out along the way. I'm confident of that. I also would say—the question hasn't yet been asked—that I am also confident that other countries will make up the shortfall in production that comes about from Iraqi oil and Kuwaiti oil not going to market. I can't give you the details on that, but I've had enough conversations with people around the world—[Secretary of State] Jim Baker has as well, General Scowcroft [Assistant to the President for National Security Affairs]—to feel that things are moving in the right direction there.

Q. Sir, I'm a little confused about the King Hussein invitation. When it was first announced, there was a flurry of excitement. Now it seems to be treated rather casually. He's getting in here about 1 o'clock in the morning Washington time. You're not going to meet with him until Thursday morning at Kennebunkport. He's supposed to have a letter from Saddam. Why the casual nature of this?

The President. One, he mentioned no letter from Saddam to me. He may well have it. Secondly, he told me he wanted to come over and see me. I said, Okay, how about tomorrow? And he said, Well, I'll let you know. So, I said, Well, call Brent, will you? Because I didn't want to get called at 2 in the morning or whatever it was. So, he called Scowcroft, and they agreed that they would meet the soonest. But I think what he indicated—and I don't think I'm violating a confidence—that he would like some time to rest before we head into the meeting.

So, that was all there was to it, because I would have been prepared to meet with him now or tomorrow. I think it's important to talk with him. But there was no—I think you're right. The way it was presented to me by His Majesty was, I want to come talk to you about the situation over here, with no specific—not as a specific emissary of some kind or another. So, I made myself available.

I have a longstanding relationship with King Hussein. Some of us have brought out the differences here that are on the table now between Jordan and the United States, and I'd like to see if we can't reduce those differences and eliminate them if possible. So, I'm looking forward to seeing him.

Q. Can I just ask you about Saddam and this offer he made on Sunday? You rejected it out of hand. But do you feel he blinked a little bit? Are you encouraged at all?

The President. One might say that the fact that he took some step, even though I wasn't particularly impressed with his steps, is encouraging. But it seemed to me like a replay of old positions. So, I don't want to mislead the American people by saying that I'm heartened in any way by Saddam Hussein's proposals, John [John Cochran, NBC News].

Q. As you assess your budget situation, are you now able to put a cost figure on the operation in the Middle East?

The President. Not yet. And I'm going over to the Pentagon—maybe I'll get a better idea of the numbers there tomorrow, but I don't have any figures for you on that right now.

Federal Budget Deficit

Q. Have you, though, inevitably lowered your estimates on what you're going to be able to do in terms of reducing the deficit?

The President. I don't want to lower the estimates in what we can do in reducing the deficit at all. We still stay with $50 billion and $500 billion as the targets—$50 billion for the first year and $500 billion over the five. But it may cause for a rearrangement in how money is spent, because this is not a freebie out there in terms of the expenditure. But I just don't have the figures to give you. But I don't want to move away from those targets now.

Persian Gulf Crisis

Q. Are you pleased with the support that you've been getting from the Soviet Union——

The President. Well, let me put it this way: Suppose we set the clock back 5 years, say nothing of 10 or 20, and we had an event of this nature in the Middle East. The major unknown and the major area of concern would have been: How would the Soviets react? How would the Soviets view this? What actions are the Soviets apt to take? Now, today we don't have that concern because they have joined in in the

United Nations in condemning this aggression. That's a significant difference from the way it used to be. It makes the equation much easier to solve.

So far, I am very pleased with the Soviets' reactions. Jim Baker, I believe, talked to Mr. Shevardnadze [Soviet Foreign Minister] as recently as yesterday, and I know he shares this assessment. I'm not saying we have no differences with them, but it is much, much different, Jessie [Jessica Lee, USA Today], than it would have been 5, 10 years ago.

South Africa

Q. What did you talk with Nelson Mandela about?

The President. Well, what I talked to him about was the apparent breakthrough over there between the ANC [African National Congress], Mandela, and De Klerk [President of South Africa] and the Government in terms of the peaceful resolution to the problem of how you eliminate apartheid. I talked to him a little bit about the joy we felt and the progress that's been made on releasing prisoners. That was about it—congratulating him, and Mr. de Klerk yesterday, on the same progress. It's very exciting what's taking place there.

Persian Gulf Crisis

Q. Mr. President, the Iraqis have now held Americans for 12 to 13 days. Are you willing to sacrifice those Americans should it come to direct military action?

The President. I'm never willing to sacrifice the life of any American. Sacrifice—no.

Q. Do you believe the Iraqis are using those Americans as a shield against potential American——

The President. I don't have that feeling now, and I hope I never come to that. Because you see difficulty of others getting out, but it's a troubling situation when people are held against their will or delayed from leaving. It troubles me.

Q. What's the status, in your view?

The President. The status is inconvenienced people who want to get out. And it's not only them but a lot of others. I hope that it doesn't become more than that. I have no reason to think at this juncture that it will. But the more we talk about it and the more we speculate about it, the less helpful it is, I think. But I'd like to feel that all foreigners who want to leave Kuwait or want to leave Iraq would be free to do so. And there have been some encouraging statements—you heard from their Ambassador this morning—that make me say, Well, let's wait and see on that one.

Federal Budget Negotiations

Q. Mr. President, your June 26th statement specifically said there were points in it that were jointly agreed by Democrats and Republicans. Why do you suppose the Democrats have not made any proposals other than that, and what other proposals have the Republicans offered?

The President. We had a proposal that happened to ease into the public domain there against my best judgment. I'd like to say I have no control over those leakers—they got out there. We were still prepared to hand over that proposal in all its detail to the Democrats in accord with their handing us one. But that didn't materialize.

I think there was some politics in it. I'm not going to accuse Tom Foley [Speaker of the House of Representatives] of this, or Dick Gephardt [House majority leader] of this. But I think there was some saying: Hey, we think we've got the President over a barrel here. We've made him back away and give and give and give and get nothing. My view is: Well, fine, if that's the game that some up there want to play. But I think the American people understand it is the Congress that has to pass this budget. They're the ones that have the power of the purse. I sat there and played by the rules, didn't comment on this proposal or that proposal, just as I said. Others did, and frankly, some Republicans as well as Democrats did.

But I think what I'm trying to do now is to put it in focus so the American people will understand that it is the Congress that must move now to bring this deficit under control.

A followup?

Q. Yes, sir. Other than sequestration, do you have any tools at your disposal to get anything done on this?

The President. Well, sequestration is a pretty strong one, and veto is a helpful one.

Q. ——pan out publicly?

The President. No, not now. I still have hopes that we can resume this kind of summitry that is essential if you're going to get a deal. I felt that way when we entered into the deal, and I still feel that way, in spite of the fact that I do think there has been some politics rearing its head.

Persian Gulf Crisis

Q. Assuming that Saddam Hussein were to work out some face-saving way to withdraw from Kuwait, he would still be there with a very large army, still presumably intimidating to his neighbors, having invaded once. Given all that, do you think it is possible for this crisis ultimately to be resolved without removing Saddam Hussein from power, and if so, how?

The President. All I want to do is see it resolved the way the world opinion wants it resolved, and then we will worry about the rest of that later on. But the main thing is to have the withdrawal and the restoration of the rulers to their responsibilities. So, it's too hypothetical for me to go into what happens beyond that. But, yes, I'd like to feel that that can still happen. The economic sanctions are just beginning to—Marlin [Marlin Fitzwater, Press Secretary to the President] says pinch, I'd say bite—and I think that they're going to be quite effective, more so than in the past—I certainly hope so. So, let's just see how all that works.

Q. Mr. President, if I could go back to the naval interdiction effort for a second. The Soviets apparently are proposing some kind of a joint security council command to control the naval interdiction effort. Are you pursuing that in any way with the Soviets? Are you interested in the idea at all?

The President. There was originally a—I think that was raised to Jim Baker by Shevardnadze. And I don't have any problem talking to the Soviets about that. I think it would be a very good thing to have an active Soviet presence to enforce these U.N. resolutions. All I'm saying is that I don't think it is essential that you have a U.N. flag in order for countries to carry out their responsibilities. But I'd be somewhat open-minded to talk further along those lines.

Q. Do you think it will be necessary at some point to stop ships going into Aqaba because that is a potential lifeline——

The President. I think at some point it might well be. If it's a hole through which commerce flows in an otherwise tight net, I would certainly think that Aqaba should be closed to Iraqi commerce.

Federal Budget Negotiations

Q. I have a question about the budget, Mr. President. After 100 days of negotiating, don't you think the I'll-show-you-mine, you-show-me-yours strategy is getting a bit silly? And why not just as President show some leadership and put your proposal on the table and say, Here's where I want to go?

The President. No, we got one out there. And it wasn't totally on the table; it was kind of oozed out on the side. And all we did was have a bunch of Democrats going after me, going to every special interest, raising hell. And now it is time that the Congress, who have to pass the budget—must pass the budget—get going. I'm still here in a nice, tranquil mood wanting to discuss it with them. [*Laughter*] And I will discuss it with them.

But I'm using this—you see we had—there's kind of a truce on this abiding by the Marquis of Queensbury's no-comment rules. And so, during this period of truce, I'm going to put the focus where it belongs and where the American people year after year know it belongs, and that is on the party that controls the United States Congress. And then I'll be here in a reasonable mode come September, saying, Well, here, here's our proposals. What's yours? Let's go. But it doesn't do any good. They've been laughing all the way to what they think is the electoral bank saying—every time we throw up a proposal, they gun it down and rush off and tell the special interest of one kind or another, We're going to protect you. Ha ha. Now it's time for them to come forward. And we will be more statesmanlike and try to resolve this national problem. [*Laughter*]

Q. Is it also true that when that proposal oozed out, as you say, it was Republicans who were involved in the——

The President. That's why I was very careful how I said who leaked it.

Q. They led the fight for that plan in revolt, I think.

The President. Which one?

Q. The proposal that oozed out, as you said.

The President. Listen, if you're ever—I can't find anybody elated over any facet of taxes, Democrat or Republican. They want to stick it to the other guy a little bit. But what I'm saying is: We had a proposal. People know what was in it. We had an original proposal with detail. They've had none. And the deal was they were to have a proposal. Now let's come forward with it and set aside politics. It's getting tough now. It's getting right down to the crunch. And the American people know that the Congress appropriates every single dime and tells us how to spend every single dime. Now, they ought to get on with doing something about budget reform, process reform. Nobody's interested in the jurisdiction of this committee or another. The American people want the deficit down, and they don't want to have these delaying arguments about, Well, I can't move because the chairman of this committee hasn't passed a continuing previous resolution and seconded the motion. Nobody cares about that. They want the deficit—

I can't hear you, Sarah [Sarah McClendon, McClendon News Service]. You're right in the middle. [*Laughter*]

Persian Gulf Crisis

Q. Mr. President, should the American people look forward to an ongoing American presence in Saudi Arabia over a period of years?

The President. I don't know about a period of years, but certainly we're going to be there long enough to get the job done. But I'd like to give you a timeframe, and I can't.

Q. Mr. President, you called the President of Venezuela [Carlos Andrés Pérez] to ask him for some help with the oil. Did you talk numbers with him at all?

The President. No, I called him to thank him for what I understood was a Venezuelan willingness to step up and increase production—they can still do it at a reasonably efficient rate, I am told—and to thank him for his approach on this. He told me that he'd sent his Foreign Minister [Reinaldo Figueredo Planchart] to various capitals to coordinate all of this. And I had a couple of other matters to discuss with him, too, that were unrelated to the Persian Gulf. Mainly—I can give you a little hint—on Central America, an area where he and I stay in very close consultation and touch on this. But I didn't have a—if your question was, did I have a specific request of him, no, I didn't.

Last one.

Q. To follow up, just a second: Are you satisfied with the offer of Mexico as far as oil—100,000 barrels a day?

The President. I haven't the slightest way of knowing whether it ought to be more or less, but I am very, very pleased with Mexico's cooperation on all of this. President Salinas, a courageous man, and I am very pleased that he is willing to pitch in and help. I can't help you with the exact numbers—whether it ought to be 100,000 or something else. But when we heard that, I said that's good. We've got a good relationship now with Mexico.

Thank you. All right, here's the last. This is—I really do have to run.

Q. Thank you, Mr. President. Just very briefly: You have called repeatedly for the Iraqis to be out of Kuwait, to withdraw unconditionally and completely, and you've helped put sanctions in place to try to force them to do that. How important is that withdrawal? Is it important enough that if the sanctions don't seem to work after a short period then you will promise to use military force to force Saddam Hussein out?

The President. It is too hypothetical a question. We have a plan, and the plan is to implement fully the United Nations sanctions. And also part of our arrangement with King Fahd [of Saudi Arabia] is to help protect Saudi Arabia, in a part of a multinational force now of quite a few countries, against aggression from Saddam Hussein—the same kind of aggression that took over Kuwait. So, that's where we are. That's the plan, and I just can't help you by going in a hypothetical sense any further.

Listen, I hate to run, but I do have an appointment in here. And thank you very much.

Message to the Congress Transmitting the South Pacific Environmental Protection Convention and Protocols

September 25, 1990

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region, with Annex, and the Protocol for the Prevention of Pollution of the South Pacific Region by Dumping, with Annexes, done at Noumea, New Caledonia, on November 24, 1986. The report of the Department of State in respect of the Convention and Protocol is attached for the information of the Senate. I also transmit to the Senate, for its information, the Protocol Concerning Cooperation in Combating Pollution Emergencies in the South Pacific Region.

The Convention for the Protection of the Natural Resources and Environment of the South Pacific Region will create general legal obligations designed to protect the marine environment of the region from a variety of sources of marine pollution. In so doing, the Convention provides new environmental protection for American Samoa, Guam and the Northern Mariana Islands, as well as for the Convention area generally.

The Convention and its Protocols on dumping and pollution emergencies entered into force on August 22, 1990. Ten countries have ratified or acceded to the Convention. These are: France, Australia, New Zealand, Papua New Guinea, Solomon Islands, Fiji, the Marshall Islands, the Federated States of Micronesia, Western Samoa, and the Cook Islands. Expeditious U.S. ratification of the Convention and Protocol would demonstrate not only our commitment to the protection of the marine environment of the South Pacific but our continuing political commitment to the region as well. It would also allow the United States to participate fully at the first meeting of Parties, which will likely establish the financial and institutional arrangements for implementing the Convention.

I recommend that the Senate give early and favorable consideration to the Convention and Protocol and give its advice and consent to ratification, subject to the two understandings described in the accompanying report of the Secretary of State.

George Bush

The White House,
September 25, 1990.

Letter to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee on Mexico-United States Free-Trade Negotiations

September 25, 1990

Dear Mr. Chairman:

In a letter to me of August 21, President Salinas formally proposed initiation of negotiations for a free trade agreement between the United States and Mexico (copy enclosed). As you know, President Salinas and I had endorsed the objective of a free trade agreement at a meeting in June, and our respective Trade Ministers, Secretary Serra and United States Trade Representative Hills, had so recommended in a joint report of August 8 (copy enclosed).

Mexico is our third largest trading partner, and you are aware of the dynamic, market-oriented reforms undertaken by President Salinas. We see substantial opportunities for mutual benefit in further lowering impediments to bilateral trade in goods and services and to investment.

Accordingly, I welcome the recommendations in the joint report and President Salinas' proposal. Negotiation of a comprehensive free trade agreement is consistent with the efforts of both my Administration and the Congress to eliminate barriers to the flow of goods, services and investment, and to protect intellectual property rights.

Therefore, pursuant to Section 1102(c) of the Omnibus Trade and Competitiveness Act of 1988, I am hereby notifying the Senate Committee on Finance [House Committee on Ways and Means] of trade negotiations with Mexico.

I also want to inform you that the Government of Canada has recently expressed a desire to participate in the negotiations, with a view to negotiating an agreement or agreements among all three countries. I

welcome the opportunity to work with our two neighbors towards this end. We, with the Canadian and Mexican Governments together, will be consulting in the coming months to explore the possibilities in this regard, which we will also discuss with your Committee. I will send a further or revised notice to your Committee as appropriate, depending on the outcome of our consultations.

I want to emphasize that such trilateral consultations will not affect the continued validity of the existing free trade agreement with Canada. Further, in all these discussions, we expect to build on our multilateral negotiating efforts in the Uruguay Round, which is scheduled to conclude at the end of this year.

Ambassador Hills has already begun consultations with your Committee, and the Administration will continue that process throughout the negotiations.

Sincerely,

George Bush

Note: Identical letters were sent to Lloyd Bentsen, chairman of the Senate Finance Committee, and Dan Rostenkowski, chairman of the House Ways and Means Committee. The letters were released by the Office of the Press Secretary on September 26.

Message to the Senate Transmitting the Soviet Union-United States Maritime Boundary Agreement

September 26, 1990

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Agreement Between the United States of America and the Union of Soviet Socialist Republics on the Maritime Boundary, with Annex, signed at Washington, June 1, 1990. I also enclose for the information of the Senate the report of the Department of State with respect to this agreement and an illustrative chart of the maritime boundary.

In the agreement, the Parties agree that the line described in Article 1 of the Convention Ceding Alaska, signed March 30, 1867 (the 1867 Convention Line), is, as defined in the agreement, the maritime boundary between the United States and the Soviet Union. As such, it defines the limits within which each Party may exercise territorial sea jurisdiction or exclusive economic zone jurisdiction in those areas where their claimed 12 nautical mile territorial seas or 200 nautical mile exclusive economic zones would otherwise overlap or were otherwise in dispute. It also delimits, as between the Parties, such continental shelf jurisdiction beyond 200 nautical miles from their coasts as they may exercise in accordance with international law in the Arctic Ocean, Bering and Chukchi Seas, and a portion of the North Pacific Ocean.

I believe the agreement to be fully in the United States interest. It reflects the view of the United States that the maritime boundary should follow the 1867 Convention Line. The agreement resolves differences over where each Party has the right to manage fisheries and oil and gas exploration and development, as well as exercise other sovereign rights and jurisdiction, in these marine areas. Through its transfer of jurisdiction provisions, it also ensures that coastal state jurisdiction, in accordance with international law, is exercised by one or the other Party in all marine areas within 200 nautical miles of either or both coasts. Therefore, the agreement will permit more effective regulation of marine resource activities and other ocean uses and removes a significant potential source of dispute between the United States and the Soviet Union.

I recommend that the Senate give early and favorable consideration to this agreement and advise and consent to ratification.

George Bush

The White House,
September 26, 1990.

Exchange With Reporters Aboard Air Force One on the Federal Budget Negotiations

September 26, 1990

Q. Did you have a good flight?

The President. Big political day today.

Remarks at the Annual Convention of the United States Hispanic Chamber of Commerce in New Orleans, Louisiana

September 8, 1989

Thank you, President Abel Quintela—two Odessa boys on the same platform. [*Laughter*] I'm delighted to be here, glad to know from your president that this has been a highly successful meeting of the Chamber. I'm proud to salute Abel for the job he has done and then to pay my respects to Lupe Garcia, who's the incoming president. Texas seems to have a lock on this organization for a—[*applause*]—and I'd be remiss if I didn't mention that fact that I'm very pleased our Secretary of the Interior, our friend and yours, certainly, Manuel Lujan, is with us today. You see—where is he? And I'm proud to say that, along with [Secretary of Education] Larry Cavazos, we have two Hispanic Americans in the Cabinet of the President of the United States, and that's a very good thing for our country. I want to thank the Governor of the State of Louisiana, Buddy Roemer, my friend of longstanding, for being with us here today. We have two Congressmen from out and about, Congressman Holloway and Congressman Tauzin, who are with us over here. I'd like to ask them to stand up. And right close in, Congresswoman Lindy Boggs over here. And then, a man with whom I work very closely in the Congress and for whom I have great respect, also, from the metropolitan New Orleans area, Bob Livingston, a Member of Congress here.

And also, Abel was telling me about the fact that this really is a hands-across-the-border meeting, and I should salute Dr. Ugarte from Mexico, the Under Secretary of Commerce who is with us today, and also Jose Maria Alverde, the president of the largest Chamber of Commerce in the world, I believe. He's head of the Mexican Chamber of Commerce from Mexico City, and we are honored to have them with us here today. So, we do meet as *vecinos*, neighbors, and as businessmen and businesswomen as well, but mostly, perhaps, as citizens who understand how Hispanics have helped America create a greater land for all of us.

You know, 9 years ago, America began what has been called the Decade of the Hispanic. And now, at the decade's end, Hispanics are one of America's fastest growing minorities, enriching our country socially, academically, economically, spiritually and living, more than ever, the American Dream. I've been to many such meetings of the Chamber. And every time I come here, I realize that what I just said is true: The American Dream—you epitomize it for me in so many ways.

You know, in one sense, the past decade has reaffirmed that dream: the dream which brought your parents and your grandparents and then, indeed, some of you here in this room to this country. For today you are building, building a better life, and building it in the schools, the police forces, the small and large businesses all across society, building it for your kids—I've got 11 grandchildren—for our grandchildren. I'm old enough to have grandkids. Some of the rest of you young guys here—it's your kids. For us, it's grandchildren. But what I'm saying is for everybody. In another sense, the past decade is but a preview of coming attractions. For it can be a gateway to tomorrow, much as America has been a gateway to many of you in this room. And the theme of this convention is "Gateway to the Americas." And today it's the gateways that I'd like to talk to you about: gateways to prosperity and stability that make progress possible.

First, the gateway to prosperity is—and you understand this—the free enterprise system which fosters equal opportunity. Winston Churchill noted that some people view "private enterprise as a predatory tiger to be shot; others look on it as a cow they can milk. Only a handful see private enterprise for what it really is: the strong

and willing horse that pulls the whole cart along." Now, Churchill spoke those words at the end of his career, 1959; but in 1989 they're truer than ever before.

I'm always reminded of the Commissioner of Patents of the United States Government, back around 1900, who suggested that the Patent Office be closed because everything worthwhile had already been invented. Then you think of Marconi inventing the wireless; or the Wright brothers, the airplane; or going to the Moon; or whatever, and you wonder what this guy was thinking of back there. But as you know, the gateway isn't highly concentrated government bureaucracies; it isn't bigger government: it's bigger dreams.

Look at Pedro Garza, a former migrant worker who overcame disability to own a construction company—$4.5 million in sales; Remedios Diaz-Oliver—with us here, I believe—here she is—Remedios, Hispanic Businesswoman of the Year; or the father-and-son team, Louis and Fred Ruiz, who in 1964 started a food business in an old warehouse—battered stove, small freezer, single mixer—they now employ 534 workers. And they prove, as you do, that while government can encourage opportunity, it is Americans who seize opportunity.

Over the past decade, committed individuals like these—and then a million others of unsung Hispanic-Americans—have made big dreams come true for themselves and for so many others. Here's a partial score card of your success. Since 1980, according to your estimates, Hispanic-American-owned businesses have nearly doubled—that's in this decade, 9 years. And today the total—more than 400,000 and earn revenues about $20 billion in 1987 alone. Impressive? Of course. You bet. Good enough? No, never. For as long as one Hispanic-American is bereft of hope, that is one American too many.

And so, as we work to extend the prosperity that blesses our country today, all citizens must participate. Government can play a unique role as a catalyst for opportunity. As Vice President, I supported—and I know many in this room did—the President's Task Force on Private Sector Initiatives. And knowing how cooperation can spur development, we've tried to build on what the preceding administration fostered. I've asked Commerce Secretary Bob Mosbacher and Ken Bolton [Director of the Minority Business Development Agency] to develop a bold and innovative strategy for the reinvigoration of the Minority Business Development Agency. Every linkage between corporate America and a minority vendor and educational institution in the minority population brings us one step closer to assuring the equal participation of all Americans in our free enterprise system.

These partnerships will aid the shopowner in Los Angeles or the small developer in Des Moines. And so will one final project that I'd like to mention here: the 1990 census. You might say why? Look, there are 19.5 million Hispanic Americans, approximately—19.5 million. And I urge you to do your best to make them count. Tell your friends and neighbors to cooperate with Census officials. Don't let the Decade of the Hispanic go unreflected in this very important national survey. So, remember, the more accurate the Census is, the greater Hispanics' influence and ability to help people help themselves.

I've talked of the prosperity which can better the lives of every American. And in that context, let me just say a word about our relationship with Mexico. The first head of state that I met after the election, after I was elected, indeed, after his, was President Salinas. And 2 months ago, I was pleased to renew what I can tell you is a genuine friendship now, at that economic summit in Paris. Mexico, by restructuring her economy, reducing trade barriers, and then with our help, reaching agreement with her commercial bank creditors, has opened the gateway of increased trade with America. We welcome this commerce, for Mexico is—and most Americans don't know this—our third-largest trading partner. I salute President Salinas for his leadership on this Mexican debt problem. It's a tough problem, and he made some very difficult decisions. He led the way. He was out front. Mexico was the first country to achieve agreement on these major debt problems that are lingering out there, and I think that his leadership has paved the way for other countries. And so, I salute him here today, with many of his friends and colleagues in this audience. I look forward to

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next month's state visit, and we will give him the honors that a good friend, Mexico, merits and honors. We will give him those honors on the White House lawn. And together, we can build a gateway to the 1990's that will provide both Mexico and America with economic opportunity and stability. We must never take our friends for granted.

Now, I would be remiss if I didn't take a couple of minutes more—I know you're starving out there; I can tell—[*laughter*]—the look on the faces—but if I didn't take a couple of minutes more to talk about another kind of trade. You know what it is—a more destructive kind of trade that slams shut the gateways of opportunity. And, of course, I'm talking about the drug trade.

Consider these statistics. Last year the Government estimated that 23 million Americans used illegal drugs on a "current" basis; that is, at least once in the preceding 30 days. Last year more than 8 million people used cocaine. And almost 1 million used it once a week or more. Last year hundreds of thousands of babies were born to mothers who use drugs, babies born desperately sick, weeks or months premature. A nation with those numbers cannot long preserve its very soul. And that's why three nights ago I announced America's first national comprehensive and coordinated strategy to wage unconditional war against the scourge of drugs. And we've got four major elements in this plan.

First, enforcement, using our laws and criminal justice system—for America must take back its streets. We need more jails and prisons and courts and prosecutors and, indeed, in my view, tougher sentences. Drug dealers deserve a gateway, but that gateway is one where they go to prison. And I still feel in my heart, for the ultimate drug violators, those that do the most to corrupt the kids in this country and strip them of every chance at a meaningful life—I'm talking about those drug kingpins or those that kill police officers—I strongly favor the ultimate sentence, and that is the death penalty.

In that context, I sent my crime package, encompassing these things I've mentioned and others, to the Congress 3 months ago. That package went up 3 months ago. And it has languished there in the Senate Judiciary Committee. So, please, urge the Congress to pass this anticrime package. There's no reason to wait any longer to move forward with this part of the national strategy.

The second part of our drug plan is interdiction, a tool of foreign policy. Working with other governments—and I might again salute Mexico; cooperation has increased demonstrably there—we're going to break the international drug rings who grow and process cocaine and crack.

And again, I'd like to say here, with friends from Colombia—many of us have friends in Colombia—that I salute what President Virgilio Barco is trying to do. You talk about a tough, tough climate in which to take action. But he's taken it, and I'm praying he will stay with it. And the United States must give him the support that he needs.

It's not all muscle—the program, the national strategy. There's a third part: treatment to help addicts who want to get clean, with special emphasis on expectant mothers. And finally, our drug program aims to stop use before it starts—education and prevention—from grade school to graduate school.

I was talking with Chief of Staff John Sununu and Governor Roemer coming in. And the news, as I pointed out the other night, isn't all bad. Casual use of cocaine is down by about a third. We can change things in this country. Peer group pressure is changing in the universities and in some of the high schools in this country. And if we all pitch in, we can see that it changes even more.

This plan can help stop the trade I spoke of earlier. Some trade builds lives. Drug trade takes lives. And it is the drug trade we've got to stop. Nobody—nobody—believes it will be easy.

Tuesday night I proposed this strategy to end drug use and trafficking. And we're proposing a drug budget totaling about $8 billion—a dramatic increase over the figure that was used in the House of Representatives just this spring, the largest increase in history. And I know already there are some who criticize. Not tough enough, they claim. They say that we aren't spending enough. Well, those who judge this strategy by its price tag, by price tag alone, don't

understand the problem. Let me repeat: This is an $8 billion program with record funding increases, a program that is comprehensive and touches every aspect of the drug problem.

And those critics are the same ones who complain they don't know how we can fund the proposal unless, of course—one easy answer—that some think is easy—raising taxes. And I know and the American people know that to some the first and only answer is to hit the working man or woman with more taxes. And that is not the right answer. I have sent to the Congress specific offsets. When you hear this debate rage, we have sent suggested specific offsets to fund this strategy without raising taxes or without increasing the deficit. And all the critics have to do now is to go out and implement it.

Government is going to do its part, but government will not win this battle alone. This isn't a Federal problem; it's a national problem. And we're all in it together—cops to teachers, parents to clergymen. And we'll have to fight together to crush the drug menace at every turn, fighting in the barrios and the boardrooms, cities and in the towns, winning it kid by kid, human life by human life, house by house, neighborhood by neighborhood, putting the emphasis where the problem is: locally, in the community.

Fellow parents and businessmen, fellow Americans, that's where you come in. For drug use isn't merely statistics: It's the young kid tormented by cocaine addiction or the pregnant mothers whose use of crack impairs her child, perhaps for life. At stake is the very future of every community, and the Hispanic community is no different. At stake is the future of the Hispanic community. And I'm referring to our kids, of course.

And so, let me challenge you: Get involved. There are so many who need your help. Join the grassroots groups like the Miami coalition of leaders from business, education, government, and law enforcement to stop drug use. Take the time to really know your neighborhood, at home and at work. Help your church and anti-drug parents' groups. Support drug programs in your children's schools. Look at New Orleans, for an example—drug-free zone concept. It is working and can work anywhere in the country.

And then I talk about a thousand points of light. People have finally gotten the message. It isn't a thousand pints of lite I am talking about. [*Laughter*] It is a thousand points of light, and I talked about that just a year ago here in the Superdome, and I feel strongly about it. I feel more strongly about one neighbor helping another, the need for you to be involved in the life of another—constructive involvement in the lives of others. So, do this with your business. Use it as a storefront against drugs. Put the banners up and the brochures. Don't let the cynics disturb you—those that think everything has to come out of Washington. Employ volunteer counselors. Be a symbol in the community and especially for its kids. And join the ranks of caring and committed and help us win this crusade.

So, I guess my question is: Will you enlist? I believe you will. And I'll tell you why I feel so strongly about it in this audience: because I know of your values of family; religion; and above all, your commitment to freedom that has brought many of you to this country. That's going to compel you to get involved.

I think I understand Hispanic America. I've got lots to learn, but I think I understand. And the roots run deep. And the aspirations run high, and its people ask not the promise of success, only the opportunity to succeed. And Hispanic America is at her best when the challenge is the toughest. So, together, let's open those gateways to prosperity and stability, build for our children a better tomorrow. The kids—they're the trustees of America's future, so let their horizons touch the sky.

I appreciate your kindness. You have this wonderful way of making me feel at home. I appreciate the chance to share this occasion. God bless you, and God bless the United States of America. Thank you very, very much.

Note: The President spoke at 11:57 a.m. in the Imperial Ballroom at the Fairmont Hotel. These remarks were not received in time for inclusion in last week's issue.

Nomination of William J. Tattersall To Be an Assistant Secretary of Labor

September 12, 1989

The President today announced his intention to nominate William James Tattersall to be Assistant Secretary of Labor for Mine Safety and Health. He would succeed David Courtland O'Neal.

Since 1979 he has served as Deputy Secretary General of the International Iron and Steel Institute in Brussels, Belgium. Prior to this, he served in several capacities at the Bethlehem Steel Corp. in Bethlehem, PA, including manager for State government affairs, 1975–1979; labor counsel and assistant to the vice president of mining, 1970–1975; and senior labor attorney in the industrial relations department, 1967–1973.

Mr. Tattersall graduated from Moravian College (B.A., 1960) and De Paul University School of Law (J.D., 1966). He served in the U.S. Army, 1952–1954. He was born May 11, 1932, in Wilkes Barre, PA. He is married, has three children, and resides in Pennsylvania.

Nomination of Barbara Zartman To Be Deputy Director of the Peace Corps

September 12, 1989

The President today announced his intention to nominate Barbara Zartman to be Deputy Director of the Peace Corps. She would succeed Edward A. Curran.

Mrs. Zartman served as the New York State cochairperson for George Bush for President, 1988, and chairman of the Monroe County Republican Committee, 1985–1988. Prior to this, she served as campaign director for Jill Emery for Congress, 1984, and vice-chairman of the Monroe County Republican Committee, 1978–1981.

Mrs. Zartman was born August 20, 1943, in Jersey City, NJ. She has six children and resides in Rochester, NY.

Remarks at the National Hispanic Heritage Presidential Tribute Dinner

September 12, 1989

Thank you very, very much for that warm welcome. Hey, listen, you've got to eat, too. Cathi—what a great U.S. Treasurer Cathi Villalpando's going to be. I'll tell you, I'm just so proud of her. And I am delighted to be here. I see so many distinguished United States Senators here: I understand that one of the honorees is Orrin Hatch, and Senator Warner is here with us, Senator Connie Mack, from Florida, Pete Wilson was to be. And I want to salute them. And if I might be accorded a special privilege, I understand there is another former Senator with us tonight, a very special friend and a man who has shown the way in terms of equity for all Americans. And I'm thinking of my own former Senator, Senator John Tower, who is out there someplace. There he is.

And we're honored to have the Ambassador from our great neighbor here, Ambassador Petricioli. Please stand up so they can see you once more. I'll tell you, I don't believe—and I say this with tribute to him and to President Salinas—I don't believe we've ever had better relationships than we have with Mexico today. And I'm determined to keep it that way and make it even better. And this Ambassador is going to be doing a lot of the heavy lifting, I'll tell you.

You see, Bob Estrada was here, and so many others. I am delighted that Lee Atwater is here. He does not have to sing, and that—[*laughter*]—some rejoice in that and others feel deprived. [*Laughter*] But do what you want; I'm leaving right after I give a speech here. So if Atwater plays, why, you're lucky. I'm grateful that Manuel Lujan, a friend of longstanding, a guy that I served with in the Congress, is our Secretary of the Interior, and he's doing an outstanding job.

I know there are many members of the House here—House of Representatives—and those that have taken a very special interest in the National Hispanic Assembly. And I'm grateful to each and every one of them. I'm pleased, also, to be joined by John Sununu. And I want to tell you how lucky we are to have him. When he gets

upset that I don't understand source codes and thermonuclear physics, he lapses off into Spanish, hoping maybe he can get me on the same wavelength—[*laughter*]—but a versatile Chief of Staff who is doing a superb job.

As I say, I mentioned Orrin. You appropriately are going to honor him later on, so I won't say any more. But he is the Chairman of the Republican Senate Task Force on Hispanic Affairs, and you are appropriately honoring him for his efforts on behalf of the Hispanic community.

Like you, I know many of you had a chance to get away on vacation, and I heard some allusion to mine here. Before I go any further, I want to put an end to the rumor, ugly rumor that's making the rounds since I was up in Maine about a covert amphibious operation off the coast of the American Northeast. [*Laughter*] There is no truth to the rumor that the bluefish I finally caught was hooked on the line by a Navy frogman. Not true; not true at all. [*Laughter*]

Actually, about Lee, what a job he's doing as chairman of the Republican National Committee. Really, it is outstanding. In addition to being the Andres Segovia of the Republican Party—but actually, the tunes Lee likes to play aren't always music to everyone's ears. I hear Lee asked Orrin Hatch, "If I bring my guitar tonight, would you have any special requests?" Orrin said, "Yes, just one: Don't play it." [*Laughter*]

Let me say that I am deeply honored to meet with all of you. I knew for fact-certain 15 years ago when I was in Lee's job, when I was Chairman of the National Committee, that the time had come for the Hispanic Assembly. And we started it. And over the years, I've watched with admiration all of the energy that you've devoted to advancing the Republican cause. And it is a source of great pride to be able to feel that at least on that one I was in there at the beginning with so many men and women right here in this room. As Lee said in saluting my beloved daughter-in-law [Columba Bush], honoring her for what she has done, all of you have made the 1980's a time of great pride for Hispanic Americans. And I'm honored to enjoy the advice and counsel I mentioned—of one Cabinet officer that I mentioned, Manuel Lujan, but certainly of another of Hispanic descent, and I'm talking about Larry Cavazos [Secretary of Education].

Just one week ago, we welcomed someone else to Washington, And she's with us here tonight. And I am so proud of Ileana Ros-Lehtinen and for her victory down there in Florida. The first Cuban American to serve in Congress and the 12th American of Hispanic heritage in the 101st Congress, and she's here tonight. And I can tell you after just 1 week, she is going to be a tiger. She is going to be a force to be reckoned with on Capitol Hill and, boy, do we need her up there for good, common sense. But I look at her election and I see it as just one more indication of the fact that Hispanic Americans have made it into the mainstream and that more and more are choosing the Republican Party. For everyone in this room tonight, that's the ultimate victory that we're fighting for.

I want to thank Lee again, who's dedicated to making our party the party of outreach and inclusion; it's driving the Democrat Party right up a wall the way he is reaching out and bringing people in and opening doors that have been regrettably closed. But what he's trying to do, and where we're all trying to help him, is build it on mainstream values. And I want all Hispanic Americans to know that they have a home in the Republican Party. And tonight, I want to announce two more talented individuals that I've asked to join my administration. I will nominate Velma Montoya to serve on the Occupational Safety and Health Administration Review Commission, and Adis Maria Vila as Assistant Secretary of Agriculture, two more distinguished appointments.

And last week I spoke to the Hispanic Chamber of Commerce—a meeting that I love to attend and have attended before—but this was their annual meeting, this time in New Orleans. And I talked about the extraordinary accomplishments of the entrepreneurs—Hispanic entrepreneurs. And you could feel it in this crowd. The enthusiasm there was absolutely electric, and the contribution these businessmen and women are making to the American economy cannot be measured in terms of the gross national product alone. They understand

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that they are role models to the next generation of Hispanic Americans—tangible proof that every door is open and success is within their reach. And the successes we see really come as no surprise.

The values of this community are the very founding values of this nation and of the Republican Party. Faith and family, hard work and individual responsibility, respect for others, and above all, an abiding love of freedom—those are all the ingredients that anyone ever needs to succeed, anywhere from the streets of San Antonio or Miami to the halls of Congress, or at the President's table as an officer in the Cabinet.

Our nation and our party need your contributions. And tonight is a night to take pride in all that you've done, and to take home with you a commitment to write the next chapter in the success story of Hispanic American achievement. Once again, thank you for all you are doing, God bless you, and God bless the United States of America. Thank you very, very much.

Note: The President spoke at 7:42 p.m. in the Regency Ballroom of the Omni Shoreham Hotel.

Message on the Observance of National Hispanic Heritage Month, 1989

September 11, 1989

I am delighted to extend my warmest greetings and congratulations to the members of the Hispanic American community as you celebrate National Hispanic Heritage Month, September 15–October 15, 1989.

Perhaps no single ethnic group has had as profound an impact upon our Nation as Hispanic Americans. From the days of the first explorers in what is now Florida, Texas, and California, the Hispanic peoples have played a major role in taming this vast country and developing its abundant resources. Mexican Americans, Cuban Americans, Puerto Rican Americans, and other men and women of Hispanic descent have not only demonstrated the power of individual enterprise but also added to the cultural diversity that so enriches American life.

Today, Hispanic Americans continue to be leaders and pioneers—in education, government, business, science, sports, and the arts. Every day, in communities across the United States, they remind their fellow Americans of the meaning of determination and hard work, as well as the importance of faith and devotion to one's family. The values passed from generation to generation in Hispanic American families are values central to the American experience, and our Nation is all the stronger because these individuals have recognized the importance of caring for one's neighbor, obtaining a good education, participating in one's church, and exercising one's rights as a citizen.

This month provides a wonderful opportunity for all of us to celebrate both our Nation's Hispanic Heritage and the beliefs that unite us. I encourage all Americans to take part.

Barbara joins me in offering Hispanic Americans best wishes for a memorable celebration and for every future happiness and success. God bless you, and God bless America.

George Bush

Note: This message was released by the Office of the Press Secretary on September 13.

Proclamation 6018—National Alcohol and Drug Treatment Month, 1989

September 12, 1989

By the President of the United States of America

A Proclamation

Each day, we Americans are confronted by grim reminders of the devastation wrought by excessive consumption of alcohol and other forms of substance abuse. Millions of Americans have suffered, either directly or indirectly, from the consequences of chemical dependency. Substance abuse contributes to accidents resulting in serious injury and death, and it accounts for much of the violent crime on our city streets. Dis-

Statement on Signing the Bill Establishing the Ulysses S. Grant National Historic Site in St. Louis County, Missouri

October 3, 1989

Today I have signed into law H.R. 1529, an Act to establish the Ulysses S. Grant National Historic Site in St. Louis County, Missouri. This action will preserve White Haven, an estate owned by President Grant and his wife Julia Dent.

The Grants lived together at White Haven during the crucial pre-Civil War years. It was during this time that Grant's strength of character was developed through economic adversity. Traits formed then—a relentless pursuit of success and a determination to move ahead despite temporary setbacks—later served Grant well both as an incomparable military leader and as President of the United States.

White Haven appears to be the only intact setting appropriate for commemorating the entire range of Grant's heroic deeds and public service. Accordingly, White Haven will be a worthy addition to the National Park System.

At the same time, I am disappointed that the Congress did not accept the Department of the Interior's recommendation that performance of a formal new area study precede establishment of this Historic Site. Such studies enable the National Park Service to examine the suitability, feasibility, and alternatives for managing proposed new park units.

In the future, the Congress will consider many more proposals for new National Park System units. I firmly believe that formal new area studies, conducted under the management policies of the National Park Service, assist this process and lead to better decision-making. To protect the integrity and viability of the National Park System, completion of such a study should be a prerequisite for establishment of any new unit of the National Park System.

George Bush

The White House,
October 2, 1989.

Note: H.R. 1529, approved October 3, was assigned Public Law No. 101–106.

Remarks at the Signing Ceremony for the Mexico-United States Environmental and Trade Agreements

October 3, 1989

President Bush. Let me just say that these agreements we're about to sign are symbolic of the breadth and ever-growing closeness of the United States-Mexican ties. They do prove the special relationship between our countries; it's never been stronger. And I welcome them as a commitment of our two Governments and of the President and myself to make progress over a wide variety of issues.

The understanding regarding trade and investment facilitation talks, for example, moves beyond the consultation encouraged by our framework understanding on trade to create a mandate for negotiation. And by taking the initiative, we will promote the increased trade and investment that can benefit both sides of our border.

The agreement on the protection and improvement of the environment of Mexico City is also significant, particularly in these times. For it commits our Governments to jointly find ways to resolve air and other pollution problems in one of the largest cities in the world. Improving the quality of life for our people is a priority for both of our Governments, and we welcome the personal commitment to this matter by President Salinas and his leadership. So is finding a balanced response important—a balanced response to our environmental needs. And this agreement confronts those needs.

So, these two agreements, and others that will be signed this afternoon, as well as our joint efforts to fashion a plan for addressing Mexico's external debt, are concrete examples of how our administrations have worked closely together during the last 10 months. These agreements come from teamwork. They show what can and must be done to make relations between our two great nations even closer than they are today. So, Mr. President, I am delighted to be with you as we witness the signing of these two historic agreements, and I would welcome your comments, sir.

President Salinas. The signing of these agreements simply comes to show the at-

mosphere of friendship that leads to concrete results which will undoubtedly benefit our two nations.

The first one, the one on trade and investments, for the facilitation of trade and investment, simply opens up additional sources of employment in Mexico for Mexicans. It is also encouraging the export of products to generate well-being amongst all our citizens. It will further the investment processes so that Mexicans can find a job in Mexico. That is the central purpose of my visit to this country. This is a good and very positive atmosphere of dialog which shows respect in our relations. There are differences, there are points of coincidence. But what it simply comes to show is that although we have differences, we have respect for them. In trade, we have more points of convergence that could even be furthered. Mexico has a political will in order to translate these specific agreements into benefits that will become a reality.

The second one, which is the agreement on the protection and the improvement of the environment, is, as you might well realize, of great relevance. Mexico City, the metropolitan area of Mexico, is the most populated and most polluted city in the world. Its population—the number of inhabitants that this city has is more than the total population of Central America. We want better air for the Mexicans, for their children, and for the children of their children in Mexico.

The signing of these agreements is proof of the good will that exists between the two countries in relation to the benefits that this will derive for Mexico and for those who will visit Mexico, to not only receive its very cordial and brotherly hospitality, but to enjoy its beauty and its culture.

May my recognition and my acknowledgement go together with my gratitude for the very positive attitude that the U.S. Government has shown in this open dialog which is proved today when we subscribe and sign these agreements for the benefit of the two countries.

Note: President Bush spoke at 10:52 a.m. in the Roosevelt Room at the White House. The agreements were signed by Secretary of State James A. Baker III and Mexican Foreign Minister Fernando Solana Morales.

Exchange With Reporters on the Attempted Overthrow of General Manuel Noriega of Panama

October 3, 1989

Q. Respectfully, Mr. President, can we ask you to make an exception to your rule on photo ops because we'd all like to know what you can tell us about Noriega?

The President. Yes, you can. I think that given the anxiety and the state of the rumor mill, why, it's appropriate.

The first concern that I have as President of the United States is the safety of American citizens, and of course that would include American forces that are there under our treaty rights with Panama. Secondly, there are a lot of rumors. We are staying in very close touch with SOUTHCOM [Southern Command of U.S. joint forces]. We have very able military officers who are advising us of the situation on the ground.

But, beyond that, I would simply add to the rumors if I commented further, and we are watching the situation. The number one priority: the lives of Americans. There were rumors around that this was some American operation, and I can tell you that is not true.

Q. Mr. President, in the past you have said that your argument is not with the PDF and that you would be willing to help them in any eventuality. Is this such an eventuality?

The President. Well, again, that's part of the confusion. Nobody is sure what's happening there. Our people on the ground have the best idea about that. But I would repeat, in the hopes that it be conveyed instantly to Panama: We have no argument with the Panamanian Defense Forces. We have no argument with them. We've had good relations with the Panamanian Defense Forces. And our argument has been, as has many other countries', with Mr. Noriega, who aborted the democratic will of the people of Panama; and that's where our argument was, and that's where our argument is.

And so, if you can use all these cameras to get that message to the people of Panama, I really think it would be a good thing for peace, and I think it would be a good thing in terms of a historic relation-

This week, we salute America's health care food services personnel—administrators, dieticians, dietary assistants, menu planners, chefs, production workers, and volunteers—for their professionalism and hard work.

In recognition of the vital contribution made by health care food service professionals to the well-being of the American people, the Congress, by Senate Joint Resolution 81, has designated the week of October 1 through October 7, 1989, as "National Health Care Food Service Week" and has authorized and requested the President to issue a proclamation in observance of that week.

Now, Therefore, I, George Bush, President of the United States of America, do hereby proclaim the week beginning October 1, 1989, as National Health Care Food Service Week, and I call upon the people of the United States to observe that week with appropriate ceremonies and activities.

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

George Bush

[*Filed with the Office of the Federal Register, 3:32 p.m., October 3, 1989*]

Remarks at the Welcoming Ceremony for President Carlos Salinas de Gortari of Mexico

October 3, 1989

President Bush. President Salinas and Mrs. Salinas, Secretaries Solana and Baker, Ambassadors Petricioli and Negroponte, and members of the delegation and friends, less than 1 year ago, sir, we met in Houston, Texas, as two Presidents-elect and began to focus on what for each of us is a major Presidential responsibility: defining and enhancing the U.S.-Mexican relationship.

Mr. President, you and I went to Houston certain of the importance of our responsibilities, for ours is one of the world's broadest and most complex bilateral relationships. But I think that few could have envisioned the degree of success that our talks would have. That success was embodied by what has come to be known as the Spirit of Houston—our joint commitment to create a framework of mutual trust and understanding. And in the past year that spirit has strengthened our Mexican-American ties.

Together, Mexico and the United States have worked to negotiate a solution to the debt question and develop greater cooperation in the war against drugs. Together, we've improved opportunities for bilateral trade and investment and nurtured our environment. In sum, finding new ways to reaffirm old bonds. When President Salinas and I met last July in Paris, these steps were already underway—steps crucial to countries with such shared social, economic, and regional interests.

And now, as I welcome President Salinas to our Capital for his first state visit, I look forward to continued progress and additional proof of how Mexico and the United States can work together toward common ends, toward positive results. Those ends are reflected in today's agenda, for as major trading partners we must explore ways to expand our commerce, and as members of the Organization of American States, discuss how democracy can be restored to Panama and free and fair elections held in Nicaragua.

And this year we celebrate a century of joint projects by the International Boundary and Water Commission. We must renew that cooperation and continue to strengthen our assault on the plague of drug use and trafficking. For we know that what threatens one nation in our hemisphere threatens us all. In each case, strong bilateral cooperation is fundamental to an effective multilateral response. And thankfully, Mr. President, our countries share the good will and dedication to confront and meet our challenges—meet them through mutual candor, through mutual respect.

I've often spoken of the need to recognize the permanent importance of the U.S.-Mexican relationship. And Mr. President, I'd like again to refer to that need today, for U.S.-Mexican affairs are vital to our respective national agendas. Our relations now are strong, and they must grow even stronger—and they will.

On behalf of the United States of America, President Salinas and Mrs. Salinas, let me welcome you both to the White House, and to this country, and to your friends.

President Salinas. President George Bush, Mrs. Bush, ladies and gentlemen, it gives me great pleasure to come to this land of liberty. I bring the greetings and the desire of the Mexican people to raise our friendship with the United States to a new level of direct, effective, and respectful dialog and to an economic cooperation without precedent for our common prosperity. I am deeply grateful for the welcome that I have received from you and from your wife, Mrs. Bush, and from many Americans in this beautiful city of Washington.

I come to share with you the idea that one's own well-being is more lasting when it is accompanied by the well-being of others. I come here convinced that there is a spirit of cordiality between us—born in Houston, reaffirmed in Paris, and ratified in Camp David—which is ready to aid us in making the most of our points in common and resolving our differences. That is the basis of friendly relations between two neighbors who are different but determined to benefit from their coexistence and to live up to the values that their people share.

We have good reasons to take new steps in those matters that concern and interest both of our countries: a less uncertain world, one that is less threatened and more propitious to the development of all nations; a cordial and respectful bilateral relationship that will loosen fetters of inertia, improve mutual understanding, and permit the steady development of the human potential of our peoples. We can open a new stage in trade between our countries. We can find a way to deal more humanely with the migration of Mexicans to the United States. We can strike lethal blows against drug trafficking to free the world from that international scourge. We can respond to the urgent demand for a healthier environment, for an ecological future of the kind that our children deserve. These are topics that will occupy our closest attention.

The history of our relations provides examples that show us how valuable it is for us to cooperate and how sterile confrontation is. Working together, we have gotten to know each other better, and we have learned to take more advantage of the opportunities that arise from our complex interrelationship.

Mr. President, we are neighbors who are important to each other. We shall study our common problems and move toward resolving them, because it is in the interest of the Mexican and the American peoples to turn neighbors into friends and challenges into opportunities for our mutual benefit. May this greeting to President Bush be seen as well as the expression of our most cordial greeting to all the people of the United States of America.

Note: President Bush spoke at 10:13 a.m. at the South Portico of the White House, where President Salinas was accorded a formal welcome with full military honors. In his remarks, President Bush referred to Mexican Foreign Minister Fernando Solana Morales, Secretary of State James A. Baker III, Mexican Ambassador to the U.S. Gustavo Petricioli, and U.S. Ambassador to Mexico John D. Negroponte.

Remarks During a Meeting With President Carlos Salinas de Gortari of Mexico

October 3, 1989

All of you from Mexico City and elsewhere, welcome.

Well, I normally don't say anything at a photo opportunity. But I just can't tell you how pleased we are to have the President of Mexico here in the White House; what an honor it was to have him and Mrs. Salinas up at Camp David for what was almost a family evening. But this is a very important visit for the United States. I hope you feel welcome; we want you all to feel very welcome.

Note: The President spoke at 10:34 a.m. in the Oval Office at the White House.

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Embassy in Paris, France, 1971–1975; economic officer in the Office of European Community Affairs, 1968–1971; and second secretary at the U.S. Embassy in Kinshasa, Zaire, 1967–1968. In addition, Mr. Phillips served as vice consul and consul for the U.S. consulate in Lubumbashi, Zaire, 1965–1967; third secretary for the U.S. Embassy in Paris, 1963–1965; and a foreign service generalist, 1961–1963. Mr. Phillips entered the Foreign Service in 1961.

Mr. Phillips graduated from Wichita State University (B.A., 1952; M.A., 1958). He attended the University of Vienna, 1956–1957, and Cornell University, 1958–1961. He was born February 23, 1933, in Peoria, IL. Mr. Phillips is married, has five children, and resides in Washington, DC.

Nomination of Thomas W. Simons, Jr., To Be United States Ambassador to Poland

May 23, 1990

The President today announced his intention to nominate Thomas W. Simons, Jr., of the District of Columbia, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Poland. He would succeed John R. Davis, Jr.

Currently Dr. Simons is diplomat-in-residence, visiting scholar, and adjunct professor of history at Brown University in Providence, RI. Prior to this, he served as Deputy Assistant Secretary of State for European and Canadian Affairs; member of senior seminar in foreign policy, 1985–1986; Director for Soviet Union Affairs at the Department of State, 1981–1985; Counselor for Political Affairs at the U.S. Embassy in London, United Kingdom, 1979–1981; Deputy Chief of Mission at the U.S. Embassy in Bucharest, Romania, 1977–1979; and chief of the external reporting unit in the political section of the U.S. Embassy in Moscow, 1975–1977. In addition, Dr. Simons served as a member of the policy planning staff, 1974–1975; international relations officer (MBFR and CSCE) in the Bureau of Politico-Military Affairs at the Department of State, 1972–1974; council on foreign relations international fellow at the Hoover Institution in Stanford, CA, 1971–1972; political officer at the U.S. Embassy in Warsaw, Poland, 1969–1971; consular officer at the U.S. Embassy in Warsaw, 1968–1969; Polish language training, 1967–1968; and secretary of delegation and technical secretary for the U.S. delegation to the 6th round of trade negotiations in the GATT, 1964–1967.

Dr. Simons graduated from Yale University (B.A., 1958) and Harvard University (M.A., 1959; Ph.D., 1963). He was born September 4, 1938, in Crosby, MN. Dr. Simons is married, has two children, and resides in Washington, DC.

The President's News Conference

May 24, 1990

Trade With China

The President. Today, after long and thorough deliberation, I have determined that MFN [most-favored-nation] trade status for China should be extended for a year. MFN is not a special favor; it is not a concession; it's the basis of everyday trade. And taking MFN away is one thing I said I would not do; that is, in doing that, take steps that would hurt the Chinese people themselves. I do not want to do that.

To express America's outrage at the tragedy of Tiananmen, the Congress and my administration promptly enacted sanctions against China. These sanctions remain basically unchanged today. And while implementing those sanctions, I have repeatedly made clear that I did not want to hurt the Chinese people. And this was a difficult decision, weighing our impulse to lash out in outrage that we all feel—weighing that against a sober assessment of our nation's long-term interests.

I concluded that it is in our best interest and the interest of the Chinese people to continue China's trade status. Not to do so would hurt the United States. Trade would drop dramatically, hurting exporters, consumers, and investors. China buys about $6 billion a year of American aircraft and

wheat and chemicals, lumber and other products. Lose this market, and we lose American jobs: aircraft workers in the West, farmers in the Great Plains, high-tech employees in the Northeast.

Our economic competition will not join us in denying MFN. Without MFN, an average of 40 percent higher costs for Chinese imports will turn into higher prices for American consumers. Hong Kong weighed on my mind. Hong Kong would be an innocent victim of our dispute with Beijing. Twenty thousand jobs and $10 billion could be lost in a colony that is a model of free enterprise spirit. The United Kingdom and China's neighbors have urged me to continue MFN. Korea, Japan, Thailand, Singapore, even Taiwan made clear that MFN should be retained.

In recent weeks, China has taken modest steps that appear intended to show responsiveness to our concerns. Beijing lifted martial law in Tibet, restored consular access there, giving us a chance to judge the situation for ourselves. Two hundred eleven detainees were recently released and then their names provided for the first time. While we welcome these and earlier steps, they are, let's face it, far from adequate. And I am not basing my decision on the steps that the Chinese have taken so far.

Most important of all, as we mark the anniversary of Tiananmen, we must realize that by maintaining our involvement with China we will continue to promote the reforms for which the victims of Tiananmen gave their lives. The people in China who trade with us are the engine of reform, an opening to the outside world. During the past 10 years, we've seen our engagement in China contribute to the forces for justice and reason that were peacefully protested in Beijing. And our responsibility to them is best met not by isolating those forces from contact with us or by strengthening the hand of reaction but by keeping open the channels of commerce and communication.

Our Ambassador [James R. Lilley] came to see me here in the Oval Office the other day and told me that not only the people that he's in contact with but the students there, the intellectuals there, all favor—there in China—favor the continuation of MFN. So, this is why I've made the decision I have made.

And I will be glad to respond to questions. I understand, Helen [Helen Thomas, United Press International], you are first.

Savings and Loan Crisis

Q. Mr. President, every day the American people read a different figure on the savings and loan debacle. What is the true figure? What does it all mean? What are you going to do about it? And what is the impact on the average taxpayer? Do you know the true figure?

The President. We don't know the impact on the taxpayer yet. We do know that we are going to protect the depositors, and that's what this is all about. It isn't protecting any savings and loan people; it is protecting the depositors. Nick Brady [Secretary of the Treasury] testified on an array of figures because we don't know a specific figure. But he gave some broad parameters yesterday that are on the record.

And what we're going to do about it is have negotiations with the Congress, and out of this I'm sure we will have an answer Congress agrees with. And incidentally, I'm pleased with the way those talks are going—that we'll figure out what to do. We can't brush this problem under the rug. It's been building for 20 years, and it is something that causes me great concern.

Q. Well, is it going to go as high as $300 billion, $500 billion? Do you have any ballpark?

The President. We don't think so. And I would simply refer you to the Secretary of the Treasury's testimony.

Trade With China

Q. Mr. President, it's been a year now since the world has watched China mow its own people down in Tiananmen Square. How can we expect the prodemocracy movement fighters around the world to have faith in the United States when they see a reward to Beijing such as the MFN?

The President. I made clear, Tom [Thomas Raum, Associated Press], I don't think this is a reward to Beijing. I think it is very important we keep these commercial contacts. I think it is in the interest of the United States that we keep these contacts. MFN is based on emigration, and emigration has continued from China at respecta-

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this decision.

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Q. Were you made
fortable, sir, by the fac

ble levels. And so, that is why I'm making this decision.

And what irks me is when some of the people up on the Hill accuse me of being less interested than they are in human rights. I think we're on the right track here. I've cited the number of countries that agree with us. I've cited the fact that the students and the intellectuals in China itself agree with what I've just done. And so, it is not a favor we're doing. I have cited the need to balance out the interest of others, including Hong Kong, which is under enormous pressure from the refugee situation there. And so, this decision is the proper decision. And it has nothing to do with saying we're condoning human rights excesses. I took the lead a year ago at the G–7 [economic summit of industrialized nations] meeting in Paris and got our allies to join in sanctions that still exist. So, I'm glad you asked it because then I vented a spleen here.

Q. But, sir, if it's not a favor, how do you square this with our policy on denying the same status to the Soviet Union, based on the fact that they haven't codified their emigration policy?

The President. Because the MFN is related to emigration. And the Soviets have not passed the necessary emigration legislation.

Q. Mr. President, is it time now for——

The President. And China does have the proper policy.

Cambodian-U.S. Relations

Q. Is it time now, sir, for a review of our policy toward Cambodia, in light of the expressed willingness of the government there to permit international supervised elections and in light of the fact that our policy has thrown widespread condemnation for helping, directly or indirectly, the Khmer Rouge?

The President. We've seen some inaccurate reporting on whether we were sending arms in there, and we are not. And we are reviewing our Cambodian policy. It's very complicated. And, listen, anytime we can get free and certifiably fair elections, we should be encouraged by that. I'm troubled by it because it isn't clear in Cambodia at all.

Q. Were you made particularly uncomfortable, sir, by the fact that our support for the non-Communist resistance has the effect at least, since they are fighting alongside the Khmer Rouge of helping the notorious Khmer Rouge?

The President. To the degree it has any effect to help them, yes, I am uncomfortable about. But when we have this kind of compromise that has been worked out, at this juncture, I think we're on the right track. But there's a discomfort level, Brit [Brit Hume, ABC News], because of the brutality of the Khmer Rouge. And if anybody even perceives that we're trying to help those people, why, then it does cause discomfort. But I think we're on the right track. We are reviewing the whole policy now.

Lithuanian Independence

Q. Mr. President, this morning the Soviet Government, specifically the Prime Minister [Nikolai Ryzhkov], rejected Lithuania's latest compromise offer to get talks going. Are you disappointed that Moscow seems to be persisting in this hard line? And what do you plan to tell President Gorbachev about Lithuania when you see him?

The President. Michael [Michael Gelb, Reuters], I was encouraged when the Prime Minister [of Lithuania, Kazimiera Prunskiene]—having made her swing of the United States and other countries—Prunskiene went to Moscow. I was encouraged when she was received by Mr. Gorbachev. I can't tell you I'm encouraged about where it stands right now. I have told you, told the American people, that this Lithuanian situation and, indeed, the situation regarding the Baltics, whose incorporation into the Soviet Union we have never recognized, does cause certain tensions. And Jim Baker [Secretary of State] had a very frank discussion with President Gorbachev about that. He understands from Jim Baker and, frankly, from me directly how we feel about this.

So, I wish I could give you a more optimistic assessment, but the only answer to this question lies in dialog between the affected parties. And I was encouraged when Prunskiene met with Mr. Gorbachev, but I have no reason now to report to the American people further encouragement.

Q. If I could follow up: About a month or so ago, you said that you thought Mr. Gor-

bachev was showing willingness to compromise and the Lithuanians only showing some willingness to compromise. Is that still your assessment, or have you viewed a balance on that?

The President. Well, you're presenting me with some semantic difference that I did not intend to make. But I'm not here to assess blame; what I am here to do is to try to encourage dialog on this important question. It is extraordinarily difficult for both sides. And I think President Gorbachev is concerned not just about the Baltics but about other Republics. And I think the Lithuanians, understandably, are concerned about their freedom and their right to self-determination, although the Soviet Union still says self-determination is proper. They've got a difference on referendum; they have other differences.

Trade With China

Q. Mr. President, critics of this decision on China believe it is based too heavily on a blind faith that you have of those leaders based on your experience as envoy over there. What message does this send to the younger generation of Chinese leaders who are going to come along and replace those in power now?

The President. It says that economic contacts are the best way to keep the economic reforms going forward. It says that the more economic contacts we have with China, the more they're going to see the fruits of free-market economies. I've told you that the students in China, according to our Ambassador, want to see this MFN continue. And so, it should send no message other than that isolation is bad and economic involvement is good.

And the whole fact that we've had economic involvement, I think, has moved China more towards reform than if we hadn't had it. And so, I want to see it continue. And that is the message to the people because it has—some will interpret the way you've said, and I will say it has nothing to do with that. It has nothing to do with that at all. We have certain sanctions in place; they remain in place. China has got an emigration policy going that qualifies, and you have the interests of—Taiwan says keep it going, Hong Kong says keep it going. Three editorials in this country—well, maybe many, many more, I think—who were upset with the fact that I opted for executive action instead of legislation all support continuation of MFN. And those people who were on my case, if you will, about the decision I took, which I still think was the correct decision, are now saying continue MFN.

Q. You're satisfied that these students, who now say that they favor the policy, aren't doing that under some duress since the crackdown by the regime in Beijing?

The President. No, because I think you wouldn't see all these other interests out there if it was simply that. Maybe there's some pressure on them; I don't know. But that's not what our Ambassador is telling me.

Federal Budget Negotiations

Q. Your favorite subject, taxes. Some of the polls are——

The President. Texas?

Q. Taxes. [*Laughter*] Several polls, including one broadcast last night, are showing that most Americans think that there will be taxes and, in fact, they think you'll go along with taxes. And about half say they're willing to go along with taxes themselves if the case can be proven that taxes are needed. Does this give you more leeway as you make your decisions?

The President. Look, I have stated right here at this podium that I'm not going to go into the details of what might be discussed up there. I've said that there's no preconditions. I'm satisfied with the way the process is going. Indeed, I should give credit to [Representative] Mr. Gephardt for the conduct of these initial meetings. Our people—Dick Darman [Director of the Office of Management and Budget], Nick Brady, John Sununu [Chief of Staff to the President]—up there, all working in good faith.

And I've seen those surveys, but it is way too early to start talking about remedies here. I want to let that process go forward; and then when I get agreement, I will go out and say to the American people, Here's what we recommend. And I'm not going to prejudge it.

Q. Can I just follow that up on the timeframe?

The President. Yes.

Q. You're going to host the economic summit in Texas in early July. By that time, do you think you must have gone to the American people to suggest remedies? Do you not want to go into the economic summit and say to your fellow world leaders, Well, we really haven't resolved this, and I don't have anything to tell you fellows?

The President. I think the G–7 leaders know of my determination to do something about the budget deficit. So, I don't have the timeframe linked into progress or lack of progress by the time the summit meets in Houston.

Q. Some of the Democrats up on the Hill——

The President. Yes, Lesley [Lesley Stahl, CBS News]?

Q. ——Mr. President, say that you're ducking the tough issue by saying what you just said: that you're not going to tell the American people what's at stake.

The President. Yes, I've heard that criticism.

Q. They want you to outline the problem and explain to the American people that it's going to take sacrifice. Are you ready to do at least that?

The President. I'm going to outline the problem when we get agreement so we can go forward with the solution. If I outlined the problem now, I'd rely on some of the fact that the Congress appropriates all the money and raises all the revenues. That's their obligation. And I'm not one to dwell on surveys recently, but I will point out that people understand that the Congress bears a greater responsibility for this. But I'm not trying to assign blame. That's why I'm not doing it right now. [*Laughter*] That's why I'm not doing it. That's why I'm saying we're going to sit and talk. Because if I go out now and say what I think without keeping in mind the need to get some progress, I might say something like I just said, and I don't want to do that. [*Laughter*]

Q. They're going to come back at you today up on the Hill, and they're going to say, See, he's not showing leadership. What's your answer to that?

The President. My answer is, I am. We've gotten these people together. I've said there's no preconditions; let's talk. And I think it's making progress. You're going to always have some people on the fringes sniping at you. That goes with this territory. But I think we're on the right track, and we'll try to do our best to get a deal.

Trade With the Soviet Union

Q. Mr. President, come back to the earlier questions about MFN for the Soviet Union. While you point out that there's no emigration law there as yet, the Soviets are moving towards that. Is there any additional—and some people would suggest Lithuania is an additional condition under which you do not want to extend MFN at this point to the Soviet Union?

The President. Well, I think there's a political climate in this country that would make it extraordinarily difficult to grant it. But that is not a bridge we're having to cross at this juncture because the legislation is not in place in the Soviet Union.

Q. It is a bridge that you're going to have to cross when that legislation is in place, and it seems to be when rather than——

The President. Well, but let's hope there's some progress on the Lithuanian question, because I think many feel there's a direct linkage there. And I must say it concerns me.

Q. In what way, sir?

The President. Because I want to see these negotiations start, and I want to see this emigration law pass. And there's a lot of things going on that are going to affect the whole climate of the economic aspects of this summit.

Upcoming Summit With President Gorbachev

Q. I'd like to ask you about the climate of the summit. The Soviets have slowed down the negotiations on conventional arms control. You're not going to be signing a START [strategic arms reduction] treaty, which we've been led to believe was going to be the centerpiece of this summit. It looks like there won't be any kind of trade treaty signed. Has the summit changed from one of consolidating gains and moving ahead to just trying to get the relationship back on track?

The President. I wouldn't phrase it exactly that way. You may recall that I mentioned in here—in answer to the question, "Who's the enemy?"—instability, unpredict-

ability; and it would seem to me that I would repeat that. And I don't want to have two ships pass in the night—Soviet Union and the United States. And we've got a lot to talk about.

I don't want to, by answering the question this way, indicate I don't think there will be significant progress on START. I hope we can move things forward on CFE [conventional force reductions in Europe]. Indeed, I was heartened by what [Soviet Foreign Minister] Shevardnadze and [West German Foreign Minister] Genscher talked about yesterday. That was somewhat encouraging. Chemical weapons—I hope I've expressed with great enthusiasm and passion my desire to do something about chemical weapons, and it looks to me like we're very, very close there.

So, we've got a lot of things that I think will be seen properly as progress, but there's enormous problems that just need to be talked about where I can't say there will be an answer. And I would refer you to the highly complex question of German unification: where forces will be deployed, and whose forces will be deployed after German unification. We've got questions on borders. We've got a lot of things to discuss that might not result in a signed agreement.

Q. Considering all those things, especially the Lithuanian situation, has your personal relationship with Mr. Gorbachev changed coming into this summit?

The President. Well, I have to wait and see what he says when he gets here. But I feel that the man has got some enormous problems. He's made some enormous progress. I think he knows, from talking to Jim Baker after he got back, that we're not trying to undermine him or make life complicated for him. But we have certain differences with the Soviet Union, which I'll be perfectly prepared to talk about.

So, you know, its a good question, and we were talking about it before coming in here. Because I don't want to overpromise, but I don't want to act like I think it's just some kind of a dance out there on this meeting because what we're going to talk about is realy substantive. And I think the part where we can sit and talk at Camp Davis there—I'm glad the Soviets have agreed to that because I think it's in that kind of a session after which I would probably be better able to answer the question you asked about the relationship itself.

Violence in the Israeli-Occupied Territories and the Middle East Peace Process

Q. Mr. President, the conflict in Israel between the Israelis and the Palestinians seems to become increasingly violent. Do you think the Israelis at this point are acting appropriately and responsibly?

The President. I've called on both sides for restraint. I've called on the Israeli forces to show constraint. I'm worried about it. I'm troubled about the loss of human life in this area. I'm deeply troubled about—well, totally human life, but I think particularly of children in this kind of situation. The answer is to get these talks going. I will do everything I can to get the talks for peace going. And so, we're talking. I was on the phone yesterday, I think it was, with Mubarak [President of Egypt]. And we had very good talks—pre-Baghdad summit—with Ben Ali [President of Tunisia] here, who represents a friendly country. We're talking to a lot of people about how that can go. But, yes, I am very troubled by this.

Q. But, Mr. President, is there anything the United States can do with its enormous clout with Israel to push the Israelis to be more open to these peace talks?

The President. The problem we face right now is this—almost an interregnum—there's no firm decisionmaking government in place. So, we're in a bit of hiatus because of that.

Mexican-U.S. Relations

Q. Do you think that the relations with Mexico are going to be damaged now that Mexico is asking for the extradition or the return of Dr. Alvarez Machain?

The President. No.

Q. And I'd like to follow up.

The President. The answer is no. Go ahead and follow up.

Q. Yes. What can be done in that case? Are you going to return him?

The President. I'm not going to get into that because we have some matters in the court on that question. But the reason I answer—and I wasn't being flip about it—that relationship is too important that no incident is going to disrupt it. The respect I



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Gun Control

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Q. Mr. Presiden
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feel for President Salinas is shared by the American people. The determination to keep this relationship that has already moved forward continuing to move forward is shared by the American people.

Today I'll be meeting with some parliamentarians, a group, incidentally, that I've belonged to 20—let's see how many—20-some years ago. And I'm sure some of these questions will come up. But I'm not going to go into anything that might conflict with the legal problem. But I did be sure that the President of Mexico knows that we did not grab that doctor and—Americans did not do that. I think that has helped somewhat.

Gun Control

Q. Mr. President, your administration has raised the likelihood of a veto of Senate legislation that bans several types of semiautomatic weapons. And we see that you're supporting Republican legislation that doesn't even include your own proposal which would have restricted the ammunition capacity of these weapons. Why is it that you insist on having a different standard for these domestically produced weapons than you do for imports?

The President. Look, Rita [Rita Beamish, Associated Press], I have not changed my position on ammunition clips. I read in the paper somewhere that we had changed it, backed off of that position. That isn't true. I sent a crime bill, however, to the Congress, and I'd like to see it enacted—a law enforcement bill. Congress knows of the difficulties. You saw it passed yesterday by one vote—this ban. I am not supporting that.

And I wish the Congress wouldn't keep adding matters of this nature. Let's get a good strong anticrime bill, and then we can have an open debate again on whatever they want to talk about. But all I can do is perfect legislation by saying, Here's what I can accept, and here's what I can't. And if they want to add something on these clips, that's fine; it would have my strong support. The automatic weapon part does not have my strong support.

Q. Mr. President, are we going to see then your administration and your people on the Hill pushing to get that provision back in a law?

The President. Consider this a strong pitch for it right now.

Federal Budget Negotiations

Q. Mr. President, what happened to your promise to balance the budget without raising taxes? Are we going to make it?

The President. Are we going to make the promise? Things are complicated out there on this subject. We're trying very hard to get a budget agreement, and that's the way it is, and we'll see how we go. And I reported I think that we've started off now, in a bipartisan nature, doing a good job. I wish we could control the spending side better. I refer you once again—I don't want to ruin the last minute getting Nicaragua-Panama passed, but I sent it up there at $800 million, and it's now $2-plus billion. But we'll keep plugging away, and I'd like to do it exactly the way I propose. I'm now enough of a realist to realize that it might not be done exactly that way.

Now, here's my problem. I have a 10 a.m. meeting with the leader of Haiti [President Ertha Trouillot], and we've got some problems there that we're trying to help to resolve. So, I can take two more. One. Two.

Arms Reduction Negotiations

Q. Mr. President, I'd like to ask about the news reports coming out, in the aftermath of the Moscow meetings with Secretary Baker, that you were not as pleased with the outcome of those talks, especially pertaining to START, as Secretary Baker was.

The President. There is no light between us on that at all. The administration has a unified position. It is a sound position. There's no point just before you sit down to say, They caved; they gave more than we did. But I am very satisfied with where we stand. All I want to do is be sure we can move forward and get these deals finalized, and we may not be able to do that. But it doesn't help for me to go out and say who gave the most, who knuckled under, who took the most heat—too much pressure. I support what Jim Baker reported to me was where we stand at this juncture in negotiations.

I'll tell you what troubles me is that we're not—somebody asked the question here—not further along on conventional forces. But the strategic arms talks are going very

well. We still haven't got a firm deal, as you know.

But to get back to your question, there isn't any daylight between the White House and the State Department or the arms control community or Defense. The proposals that Jim Baker is talking about has the strong support of the Joint Chiefs and of the Secretary of Defense [Richard B. Cheney]. So, this is very encouraging that the administration is united. Now, we're going to have some criticism. Many times you make a deal, you have editorials out there telling you exactly how it should be done. But I am confident that we're on the right track.

Follow up, and then we go over for one more to Frank [Frank Murray, Washington Times].

Q. You mentioned your concern about the stall in the conventional force talks, and some people are saying that conventional forces is now the real litmus test for Soviet intentions, given the developments in Eastern Europe. If they don't pull those troops back out of Eastern Europe, then that tells you something about their ultimate intentions.

The President. Well, I think that that's a good point and one that I expect the Soviets would want to dispel through action, because I don't get the feeling that they are opposed to CFE agreements. I do think, for complicated reasons involving Eastern Europe, that the talks haven't gone as far or as fast as I would like to see them.

But read carefully what Shevardnadze and Genscher allegedly talked about yesterday, and Genscher will be here talking about that. And maybe we can find some way at the summit or before the summit to move CFE forward. It's important, and I think it does send a bad signal if the Soviets look like they are refusing to go forward and don't want to, say, pull forces out of countries in accordance with previous deals.

Statehood for the District of Columbia

Q. Mr. President, a few weeks ago, in answer to a question about statehood for DC, you suggested that voting representation might be a better alternative and you would consider it. What consideration have you given, and what——

The President. None so far, and I am opposed to statehood for the District.

Q. Could you please explore the representation question? What did you have in mind when you talked about that?

The President. About what?

Q. About voting representation rather than——

The President. Haven't really got it in mind; interested in talking about it. Have done nothing about it at all except to continually restate my opposition—because this is a Federal city—to statehood for the District.

Q. So, the statehood bill now pending would be vetoed?

The President. Well, I haven't even seen the legislation. I don't know whether the Senate and the House have agreed on a bill. But I think my position is very clear, and I'm not going to sign a statehood bill. And so, I don't want to be under any false colors on this. I've said that over the years, and I have not changed my position.

Thank you.

Q. Sir, just to follow up on that——

The President. That's a followup on a followup. I've got to go see the President of Haiti.

Q. Yes, sir. You premised your opposition to statehood the last time on the inordinate share of Federal funds that went into the local budget. And I think it has been clarified to some extent. Could you just tell us why you're opposed to it?

The President. Marlin [Marlin Fitzwater, Press Secretary to the President] had to clean up what I said. [*Laughter*]

Q. Right. Could you tell us why you're opposed to statehood, since that is not a factor?

The President. Because it's a Federal city. That's it.

Thank you very much.

Note: The President's 48th news conference began at 9:33 a.m. in the Briefing Room at the White House.

Statement by Press Secretary Fitzwater on President Bush's Dinner With President Carlos Salinas de Gortari of Mexico

June 10, 1990

President Bush hosted a private dinner in the White House this evening for President Carlos Salinas de Gortari of Mexico. President Salinas is in the United States on a private visit to address the Business Roundtable. He will meet with Secretary [of State] Baker on Monday, June 11, and with Vice President Quayle on Tuesday, June 12.

At dinner, the two leaders discussed a wide range of bilateral and international affairs. President Bush discussed his recent meeting with President Gorbachev and his consultations with European leaders. The Presidents discussed the status of our mutual efforts to fight the spread of narcotics. President Bush reiterated our desire to continue close cooperation with Mexican authorities.

The Presidents focused considerable discussion on economic issues. In 1989 trade between the two countries totaled $52 billion. U.S. exports to Mexico were $25 billion. The United States has $5.5 billion in direct foreign investment in Mexico.

Both leaders believe that the United States and Mexico would each derive substantial and long-term benefits from a comprehensive bilateral trade agreement. They agreed that bilateral efforts to maximize trade and investment opportunities can and should complement the trade liberalization achieved in the Uruguay round of the GATT [multilateral negotiations on the General Agreement on Tariffs and Trade].

Consultations on the free trade issue will continue tomorrow with Members of Congress and in President Salinas' meeting with Secretary Baker. Both leaders agreed on a future course of increased economic and political cooperation between the two countries.

A reception before dinner was attended by the Vice President; Secretary of the Treasury Brady; Secretary of Commerce Mosbacher; U.S. Trade Representative Carla Hills; the President's national security adviser, General Scowcroft [Assistant to the President for National Security Affairs]; Ambassador Negroponte [U.S. Ambassador to Mexico]; and William Pryce, of the National Security Council.

Mexico-United States Joint Statement on Negotiation of a Free Trade Agreement

June 11, 1990

During their June 10 meeting in Washington, the Presidents of Mexico and the United States held discussions on bilateral relations, with the particular purpose of broadening and strengthening economic relations between the two countries. Both Presidents agreed that their two countries must look to the future and devise ways to meet the challenges of the 1990s and the next century, establishing a climate of greater stability and confidence for trade and investment.

The Presidents share a commitment to forge a vigorous partnership for sustained economic growth and opportunity—one which will open markets, so that trade and investment can expand further.

The two Presidents have determined that a comprehensive Free Trade Agreement is the best vehicle to achieve these ambitious objectives and, therefore, agree to move in a timely manner toward that end. They are convinced that free trade between Mexico and the United States can be a powerful engine for economic development, creating new jobs and opening new markets.

Accordingly, they have directed Ambassador Carla A. Hills, the United States Trade Representative, and Dr. Jaime Serra Puche, the Minister of Commerce and Industrial Development of Mexico, to undertake the consultations and preparatory work needed to initiate such negotiations, in accordance with each country's internal procedures, and to report back to the two Presidents as soon as practicable, but in any event before their next meeting in December.

The Presidents agreed that the greatest possible mutual benefit would derive from an agreement that entails the gradual and comprehensive elimination of trade barriers between the two countries, including: the full, phased elimination of import tariffs; the elimination or fullest of non-tariff trade barrie quotas, licenses and te trade; the establishmen protection for intellectu fair and expeditious disp cedures; and means to ir the flow of goods, servic between the United Stat

The Presidents reaffir ment to the multilateral the General Agreeme Trade. They agreed tha clusion of the Uruguay R al trade negotiations by highest priority, since t greatest benefit to bo pledged to work toward concluded that bilatera trade and investment op should complement the achieved in the Uruguay

The Presidents agree stay in close personal and review progress Bush's visit to Mexico

Remarks at the Prese for the Drug-Free Sc Program Awards

June 11, 1990

Thank you all very m retary Cavazos and all pals, the students, pa friends. I'm delighted t the Rose Garden today. brate a cause that's ne hearts and mine: the schools and our childre plague of drugs. We're the 51 schools named 1989 to '90 Drug-Free Program.

You've distinguished country by substantial tobacco, and other dr students. And each sch today has been selecte a clear no-drug-use pc forcement procedures, to remain or becom

bassador Negroponte [U.S. Ambassador to Mexico]; and William Pryce, of the National Security Council.

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The Presidents reaffirmed their commitment to the multilateral trading system and the General Agreement on Tariffs and Trade. They agreed that a successful conclusion of the Uruguay Round of multilateral trade negotiations by December is their highest priority, since this would yield the greatest benefit to both countries. They pledged to work toward that end. They also concluded that bilateral efforts to expand trade and investment opportunities can and should complement the trade liberalization achieved in the Uruguay Round.

The Presidents agreed that they would stay in close personal touch on this issue and review progress during President Bush's visit to Mexico in December 1990.

Remarks at the Presentation Ceremony for the Drug-Free School Recognition Program Awards

June 11, 1990

Thank you all very much. Welcome, Secretary Cavazos and all of you, the principals, the students, parents, teachers, and friends. I'm delighted to have you here in the Rose Garden today. We're here to celebrate a cause that's near and dear to your hearts and mine: the battle to free our schools and our children from the poisonous plague of drugs. We're so proud to honor the 51 schools named as winners in our 1989 to '90 Drug-Free School Recognition Program.

You've distinguished yourselves and your country by substantially reducing alcohol, tobacco, and other drug use among your students. And each school represented here today has been selected because they have a clear no-drug-use policy, established enforcement procedures, and an ongoing plan to remain or become totally drug-free.

The President's News Conference With the Regional Reporters Association
June 13, 1990

Baltic States

The President. Sorry for keeping you. Thank you very much. I'm very glad to meet with you all today—leaders of the RRA—for the newspapers and media represented in this room provide a daily, some times hourly, forum for the American people. From the large dailies in New York and Denver and Houston to the Watertown Daily Times, and from the cable networks to the radio affiliates, you cover regions as well as the Nation, and you provide this vital bridge from Washington to your own hometowns.

You also provide a bridge to the world, and I would like to start today's conference by just a very brief comment on the significant change that's occurred in the Soviet Union. You see, we applaud President Gorbachev's meeting with the Baltic Presidents. For some time, we've urged a peaceful resolution of this confrontation, one that will result in dialog—negotiation, if you will—in lifting of this economic blockade against Lithuania.

So, I hope that what we saw yesterday is a first step in a dialog that will lead to the self-determination that we strongly support. In any event, I think it was good news. I don't want to overstate it, but I was very, very pleased to see this occur in the wake of what I think was a successful summit meeting.

Now I'll be glad to respond to questions. I don't know how we're going to do this. We need a moderator.

High School Dropout Rate

Q. Mr. President, the Tennessee General Assembly passed a law this year in which they will take away the driver's licenses of any high school students who drop out until they're 18 years old. And I wondered if that's the kind—would be a good national policy to keep more students in school.

The President. I'd be interested to know how it works. One of the great things about our educational system is its diversity. I'd be very interested to see if that works because I have been very much concerned about the dropout rate. I've been concerned not just as it affects everybody but there are certain groups that are most adversely affected where the numbers are very high on dropout. So, without going any further, I'd simply like to know how it works, and perhaps in our whole educational approach, we could use that as an example of something that will help correct the abysmal dropout rate that we have in this country.

Niobrara River Scenic River Designation

Q. The House is voting this week on a scenic river bill for the Niobrara River in Nebraska. Why is your administration opposed to this bill, and will you veto it?

The President. That has not come to me yet, and I cannot comment on it in detail at all. I'm very sorry I can't help you on it.

Offshore Oil Drilling

Q. Mr. President, you said a few weeks ago that your decision on offshore drilling was a few days away. It's been more than a few days.

The President. How much is a few days? You said a few weeks ago. Let's not get into semantics.

Q. About 2 weeks ago. When are you going to announce a decision?

The President. Okay, that's only 14. I don't know. I really don't. But it's a matter of——

Q. What's the delay?

Mr. President. Just wanting to be sure that I have all the information I need. We're still getting opinions. It's a very hot item as you know, but we'll have a decision, as I said, within days.

Mexico-U.S. Free Trade Agreement

Q. Mr. President, some Northeastern border States are worried this week about the future of their economic relationship with the north. You agreed or promised this week to lay the groundwork this year for a free trade agreement with Mexico very similar to the deal struck 18 months ago with Canada. The feeling in some Northern States seems to be that an abundance of cheap Mexican labor might undermine business links with Canada. My question to you is: How would you protect the Canadian

free trade agreement from that cheap Mexican labor in the event of a deal?

The President. We're a long way from an agreement with Mexico. But in principle, I am strongly in favor of a free trade agreement with Mexico. We had a very good discussion—I did Sunday night—with President Salinas [of Mexico] at our house. You know, every time you try to work out a free trade agreement—and this was true of the Canadian one—you hear a lot of horror stories. But I think the pluses so far outweigh the negatives that it's worth pursuing. I haven't even really gotten into thinking about what an adverse effect on Canada of a free trade agreement with Mexico, if that was your question, or of border States.

I do know that I live in a border State, in Texas. And I've talked to several of the leaders who come from Texas in the Congress—and they are very important ones, people that have some say on this—and they're all very enthusiastic in principle. I expect there will be some organized labor opposition to some aspects of it, but we really haven't gotten that far. I would simply respond to the concerns that you ask about by saying the benefits will far outweigh any negative aspects, in my view.

Maine Gubernatorial Race

Q. Mr. President, you also live in another border State sometimes.

The President. Probably more than the other one right now. [*Laughter*]

Q. Some Maine Democrats are sort of viewing the Maine gubernatorial race as a political test of strength between yourself and Senate Majority Leader George Mitchell. Governor McKernan, the Republican, was one of your earliest supporters. Former Governor Brennan, who is running as a Democrat, appointed Mitchell to the Senate. You're a part-time resident of the State of Maine, so I assume you have some interest in the race. Is this a test of strength between yourself and Mitchell, and if it is, who is going to win?

The President. No. I don't think it's a test of strength between any other outside observers. But what I do think is that it's very important that Jock McKernan be reelected Governor of Maine. And I am strongly for him, and I hope that I can help him. And I think I know something about that State because I have a great affinity for it and connection with it, as you point out. So, I would simply say I want to do everything I can to help Jock McKernan. He's an outstanding Governor, and I think he is locked in a tough battle there with Joe Brennan.

Neil Bush

Q. Mr. President, your son Neil's lending practices while a boardmember of Silverado Savings and Loan will cost taxpayers $106 million. How should Neil make restitution, and are you not providing the FBI the enforcement tools it requested because Neil might get caught in the web?

The President. I don't accept your premise at all, and I don't think the Congress does, either.

Compensation for Displaced Workers

Q. As you know, your administration opposes the provision in the Clean Air Act that the House passed to compensate workers displaced from the Clean Air Act. Would you apply that same sort of logic to the Pacific Northwest, in that workers could be displaced by the listing of the spotted owl. Would you want to help those workers out in some form of compensation?

The President. I want to help them out in the decision. I do not support—I think what you're referring to was the Byrd amendment that was debated. And I oppose that, and I would oppose a similar amendment, but I am very much concerned about the potential loss of jobs as a result of this spotted owl problem. I want those 30,000 families to understand that we care very much about that. But I cannot say that I would support the very kind of amendment that I opposed. But I hope that we can have a resolution of this problem that will not result in throwing 30,000 families out of work.

Terrorism and Iran

Q. Mr. President, more than 30 Syracuse University students were killed in the bombing of Flight 103, and it's been about a month since the Commission on Aviation Terrorism released its report. I'm wondering what you plan to do to implement the recommendations in the report. I'm wondering also, since aviation experts and terrorism experts have said that Iran paid for

the bomb in the flight, why you have unfrozen Iranian assets and reached out to Iran?

The President. We aren't sure where the guilt lies on that. I wish I could say to the suffering members of the families who were here in this room not so many weeks ago that we knew definitively. We do have a mechanism set to follow up on Ann McLaughlin's report. The NSC [National Security Council] will coordinate that for me.

Some of the recommendations can be implemented really quickly, some will require some time, and I'm not sure I will accept them all. We've just gotten that report a couple of weeks ago. But it was very good work. And the thing I liked about the meeting with the families—at least I had an opportunity to dispel some concerns I think that they felt: that there was a lack of caring here about this.

On Iran, there has been very limited progress; and there will not be a normalization of relations with Iran, I'm afraid, until all of our hostages are out. They asked me, you know, at the time of the release of two, what good will I could exhibit, saying good will begets good will.

Incidentally, the minor adjustments in the—what do you call it, on the Iran sanctions, Iran money that was held up, and our money that was held up—came out very far in favor of United States interest. But it was a small amount of the overall problem that was discussed. But we cannot have normalized relations until we make more progress on getting the hostages out. It's like saying, Okay, two are out, but four are still kidnaped. So, for each one, you make some deal. I'm not going to do that.

Clean Air Bill

Q. Mr. President, Mr. Porter [Assistant to the President for National and Domestic Policy], your domestic aide, said you would actually veto the Clean Air Act if the conference committee puts in the House amendment which does provide special unemployment and retraining aid for those who are made jobless by the Clean Air Act. Is that so?

The President. I'm not sure I can address it in that much detail. I tried to answer the question over here, and I just have to stay with that until I—I've learned something in this job: You don't make decisions until you have all the facts. And I don't have all of them here, and I don't want to go into a hypothetical example like that.

Once in awhile, we do that. Once in awhile we say, If this isn't changed, we'll put down a veto on it. And I think I try to do that so as to shape the legislation early on. On this one, I'd need to know more before I'd take that position.

Federal Assistance for Depressed State Economies

Q. Mr. President, the economies in the Northeast right now are going through some really tough times. Could you comment, please, about what the role of the Federal Government should be to help these States out?

The President. The role should be the same as it was when Texas and the Southwest were going through some very difficult times 2 years ago. And indeed, some areas of that State and others are still going through it. And that is to provide an economic climate in which there is job opportunity. I don't believe that the Federal Government has a kind of what I would call an industrial policy role in alleviating a problem that's on a certain city or a certain State. The Federal Government has the obligation to try to provide an economic climate in which prosperity can prevail and thus lift up the lives of all Americans. And then we have some specific other roles. But if you're talking about impacted aid, I don't believe that's the proper response.

Way in the back, only because we haven't been back there. These two. One, and then——

Cuba-U.S. Relations

Q. Mr. President, as you know, the people are quite interested and concerned about our relations with Cuba. I'm interested in knowing what you think of the Soviet proposal that the United States loosen its economic embargo of Cuba as a step toward the Soviet Union reducing its subsidies for Cuba.

The President. I've got a better idea: The Soviets ought to stop spending $5 billion a year in Cuba. I think that would be enormously helpful to get for the Cuban people

what most every other country in this hemisphere has and clearly what many in Eastern Europe are enjoying—democracy and freedom.

So, my suggestion would be: If that totalitarian and brutal society were not propped up by an enormous subsidy from the Soviet Union, I have every reason to believe that Cuban people would have a right to achieve the freedom that other countries have achieved. So, that's where I'd start on that question, and I would not accept the idea that this is a time to change our policy toward Fidel Castro [President of Cuba].

Larry McAfee

Q. Mr. President, I understand your domestic policy staff has been working on the case of Larry McAfee, the fellow with the respirator in Alabama. I'd like to know what steps they've taken and how soon someone might be able to give him an answer about whether he'll be able to live in his own house and help support himself.

The President. I'm embarrassed to say that one has not come to me. But we should get an answer, David [David F. Demarest, Jr., Assistant to the President for Communications], to that before you leave here. I mean, I want you to have it. It's not come to me yet.

Taxes

Q. Governors, including Governor Bill Clinton of Arkansas, have complained repeatedly in the past that your no-new-taxes pledge that you made at the Republican Convention in 1988 has dramatically limited the ability to raise needed tax revenues at the State and local level. Did you intend for "Read my lips!" to apply to the local level?

The President. No, it's a good question, and I think I've spoken out on that. I know I have before, because certain States have found that they have had to raise revenues. And I am not about to criticize, and have not criticized, Governors, Democrat or Republican, who have gone that route, or ballot proposals that take an opposite view from that. What I'm talking about is the Federal role. And so, I'm glad to have a chance to clear it up, and it's a very good question.

We'll take two more on the aisle here.

Northern Spotted Owl

Q. A followup to the earlier question on the spotted owl. Were you saying that you are trying to influence Mr. Turner's [John F. Turner, Director of the U.S. Fish and Wildlife Service] decision on whether the owl should be listed?

The President. No. We have very limited control over that. I'm saying I care very much about environmental concerns, and I care very much about family concerns. It's tough when a person is thrown out of work in this country, and we've got to keep in mind family concerns as well as environmental concerns. But I'm glad you raised it because, really, the act provides a certain mechanism for addressing problems of this nature. And the administration has very little way to get involved in that.

Space Exploration

Q. You've spoken optimistically about the need for a space station—it's going to cost about $35 billion, four times its original estimate—a Moon-Mars mission, which could cost as much as $500 billion over the next 30 years. How do you get Congress, at a time when NASA is notorious for cost overruns and when they've got to tighten the budgets everywhere, to go along with your vision for space, or in the alternative, how do you convince the American public that this is not just a grandiose, feel-good plan from the White House?

The President. Well, of course, some of the proposals we're talking about are stretched out over many years. But you know, I've been very pleased that Congress has been willing, in difficult fiscal times, to support a meaningful space program. I think it is important not only to be out front in terms of scientific achievement but also to recognize that what Sally Ride [shuttle astronaut] called a visit to planet Earth, I believe, is important. In other words, there's benefits that come to medical science and to environment and to everything else from having a very active space program.

And you put it well because there's a tremendous demand for dollars in a budget, especially when you have an enormous deficit to face, like we're doing. And so, I've been pleased that our proposals have had broad supports, crossing party lines, Democrat and Republican, in the sense of support for the objectives in space that I've spelled out. And I hope that support remains because I think there is benefit to the United States and I think it's always been our heritage, our pride, to reach out and be on the cutting edge of science. And so, I think the American people will continue to support that. You ask how the people—I don't believe Congress would be supporting it if the American people looked at it quite differently.

I really do have to go, and thank you all very much.

Q. Mr. President, will you do this again?

The President. Now, wait a minute, you're changing this again. You already asked two questions. Get out of here. [*Laughter*] Thank you all very much. You have a question—aw, aw, no two questions. [*Laughter*]

Q. Will you do this again? Will you do this again?

The President. This is a walking exit. This is a walking exit. I may not answer it if it's not the kind in general.

Transportation for Rural America

Q. With airline deregulation and Greyhound bankruptcy, many cities have lost their airline and inner city bus services. Does the Federal Government have a responsibility to preserve transportation options for rural America?

The President. I think the Federal Government would like to see options preserved, and they'll like to see it done by supply and demand. I would like to see it done not by the Federal Government coming in and saying you've got to have this carrier here and that mode of transportation there but by having the market provide the transportation that is often essential, and that's the way of it. But I am concerned when you have a major carrier like Greyhound having the fiscal problems they do because it could be enormous interstate inconvenience. So, we're taking a look at that one right now.

Thank you all very much.

Note: The President's 50th news conference began at 11:14 a.m. in Room 450 of the Old Executive Office Building.

Nomination of Townsend B. Friedman, Jr., To Be United States Ambassador to Mozambique

June 13, 1990

The President today announced his intention to nominate Townsend B. Friedman, Jr., of Illinois, a career member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Mozambique. He would succeed Melissa Foelsch Wells.

Since 1987 Mr. Friedman has served as Director of the Office of Southern European Affairs at the Department of State. Prior to this, he served as Deputy Director of the Office of Southern European Affairs, 1986–1987; Political Counselor at the U.S. Embassy in Athens, Greece, 1983–1986; student at the National War College, 1982–1983; political officer at the U.S. Embassy in Buenos Aires, Argentina, 1979–1982; labor-political officer at the U.S. Embassy in Buenos Aires, Argentina, 1978–1979; and political officer at the U.S. Embassy in Athens, Greece, 1975–1978. In addition, he has served as a Special Assistant for Policy Planning, 1973–1974; Special Assistant to the Counselor, 1973; information officer at the Department of State, 1972; political officer at the U.S. Embassy in Santiago, Chile, 1968–1972; staff aide at the U.S. Embassy in Santiago, Chile, 1967–1968; analyst for the Bureau of Intelligence and Research at the Department of State, 1965–1967; vice consul in Porto Alegre, Brazil, 1964–1965; and a junior officer at the U.S. Embassy in Rio de Janeiro, Brazil, 1962–1964. Mr. Friedman joined the Foreign Service in 1962.

Mr. Friedman graduated from Cornell University (B.A., 1962). He was born January 4, 1940, in Chicago, IL. Mr. Friedman is married, has two children, and resides in Potomac, MD.



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Interview With Foreign Journalists
April 16, 1990

Consultations With Western Leaders

The President. This is timely in one sense because we're in the process of what appears to be organized consultations with Canada, France, and the U.K. I'm not sure that 6 months ago we envisioned this. But I am very pleased these meetings are taking place because I've tried hard as President to stay in close touch with our alliance leaders; and talks, given the rapidity of change in Eastern Europe, seemed very timely.

So, we've had two-thirds down, and one to go. And as far as the United States goes and as far as I go, I've been very pleased with the consultations—diplomacy, we'd say, frank and full. But they are very good exchanges, and I've learned from both. And I hope both [Canadian] Prime Minister Mulroney and [British] Prime Minister Thatcher have a better feel for the U.S. stance on important alliance matters.

But with no further ado, I'd be glad to take questions.

Lithuanian Independence

Q. Mr. President, one of the things that you've been talking to your coleaders about is, of course, Lithuania. Your position so far has been to suggest that the Lithuanian crisis can be resolved by dialog. I just wonder whether you think that we're approaching the moment when Western nations will have to give more direct assistance to Lithuania, particularly if there's an oil embargo.

The President. I think that's a little hypothetical, because I have been in contact with the Soviet leaders—indeed, had an opportunity to talk to Mr. Shevardnadze [Soviet Foreign Minister] right here, in that chair over there—and also have been in contact with Gorbachev. And I feel comfortable that they know the U.S. position; and I've felt that, having expressed our interest in self-determination and the peaceful evolution of all of this, that we're positioned about right. I don't think there's any question as to where I feel and, indeed, after consultation with our allies, where they feel.

But I think it's a little premature to—or perhaps a little hypothetical to suggest escalation of what we might do. I want to be sure anything we do is productive. There's been dramatic change in the world, and I don't want to inadvertently take some action that would set it back. And yet I don't want to be seen as one who is not interested in the peaceful change and in the self-determination for Lithuania.

We're in a position of never having recognized the incorporation of Lithuania, and indeed Estonia and Latvia, into the Soviet Union. So, that gives us a little bit of a standing that others might not have in terms of how we view this problem. But I just don't want to go into what we might do. I can understand the great interests in other countries and, certainly, in this country. But right now I'd like to, having expressed our concerns to the Soviets, watch the evolution here.

France's Role in NATO

Q. Mr. President, you are going to meet Mr. Mitterrand [President of France] next Thursday in Key Largo. And there has been in the French press a report about some misunderstanding in France and the U.S. about the NATO future role. Do you share any of those views, and it is true that your administration is pushing for France to get more involved in the alliance?

The President. Look, the main thing is that France and the United States be in total synchronization on alliance problems. France has a special historical position regarding the NATO alliance. But one of the reasons for having this meeting is to narrow any differences that might exist. I go down to Key Largo not feeling there are big differences with Mr. Mitterrand in this question. But I want to get his views. I want to tell him ours, and if there are differences, see if we can narrow them.

But it is my conviction that NATO will have a perhaps even more important role to play in the stability of Europe—East and West—projecting stability for East and Western Europe. And I would think that that might be shared by President Mitterrand, but I'll be talking to him about this question because there have been reports that there was a little drift and a little sepa-

ration. And the best way to find that out is simply to sit and talk, as we will do there.

I can say this: that I've found my direct talks with him extraordinarily helpful in the past, and I expect this will be the same way. One of the key subjects will be security and arrangements for Europe after the unification of Germany. And that obviously will entail discussing our view for an expanded role for NATO.

His view—it doesn't exclude that but has a keen interest in a role for CSCE [Conference on Security and Cooperation in Europe]. And we see that. We've also talked about expanded participation in the EC [European Community], and I will try to elaborate on that with Mr. Mitterrand. So, I know we're not egregiously apart at all. But if there are these differences, get them out on the table and talk about them.

Quebec Independence

Q. Mr. President, you say you're concerned about what might happen in Lithuania. There is also a strong independence movement in Quebec. And recently declassified State Department documents show that during the last peak of separatist sentiment in Quebec about a dozen years ago the U.S. was indeed very concerned about the prospect of a separate Quebec. Can you tell me what your concerns are about that prospect and what it could mean for U.S.-Canada relations and Quebec-U.S. relations?

The President. My experience is to stay out of a matter that's bubbling around up there in Canada right now, courageously sit on the sidelines, and say this: that we have always enjoyed the most cordial relations with a unified Canada. And that came up at a press conference we had up in Canada the other day there at the ball park. And I took the same view: that this is not a point at which the United States ought to involve itself in the internal affairs of Canada.

British-U.S. Relations

Q. Mr. President, the British Labour Party, the opposition Labour Party, is very, very far ahead in the opinion polls in Britain at the moment. It's had an avowedly unilateralist past, and your predecessor seemed to treat it with a great deal of suspicion. I wonder if you now think that these people are people you can do business with and people you can talk to, and whether you have this sort of special relationship that you would like to have with the British Government?

The President. May I say this: that I haven't given any thought to it all because Margaret Thatcher is the head of the Government and the Prime Minister and we are in close consultation and negotiation with her.

So, I really would leave it there, because without suggesting any hostility toward opposition parties or towards—in this sense, since you asked about Labour—but I just, again, think it would be inappropriate to publicly speculate on what the U.S. might do. We do have a special relationship, and it'll continue, I'm sure. And these talks just reinforce that, these talks that I had with Prime Minister Thatcher. So, excuse me if I don't want to get into the bubbling caldron of domestic politics inside the U.K. right now.

Japanese-U.S. Relations

Q. Mr. President, you seem to have had very substantial success in your relationship with Japan in the last couple of months. The SII [Structural Impediments Initiative negotiations] seems to have been moving along quite happily. I wonder whether that's a vindication of 3 years' worth of pressure from the Hill for a tough stance on trade issues.

The President. There is no question that the Hill, and indeed a lot of America, have wanted to see action taken by the Japanese. I would like to give credit to our negotiators, who are in the administrative executive branch of the Government, and also to Prime Minister Kaifu, who has taken the position that I think some of his critics here and abroad felt he wouldn't take, a position that we view quite forthcoming on SII and on specific categories of trade.

So, the jury is still out in terms of how the Hill will look at what has happened, but I've been very pleased so far that most of the leaders on Capitol Hill seem to feel that under Kaifu's leadership Japan has really moved on these important items.

But I guess the answer is, the proof of the pudding is in the eating. Also, there are certain undertakings that we make under

SII. And Congress ought not to simply criticize Japan, even though I will readily concede there's been room for criticism there, and so stated. But I think we, the executive branch and the legislative branch, ought to work together now to fulfill our undertakings on investment, savings, education, budget deficits. It's a two-way street. But so far, I've been quite pleased. And—back to your question—I don't know whether it's Hill pressure, because for years Japanese leaders would come here, and hear the message from the Hill, go back; and we didn't have demonstrable progress. So, I think, in fairness, the Hill pressure has been relatively constant.

We ought to take a look at what's different. And what's different is the way in which Prime Minister Kaifu, and indeed some of the other leaders there, have approached this problem.

NATO

Q. Mr. President, just to go back to the NATO issue, could you envision now the French being supreme commander of NATO?

The President. We're very happy with the present arrangements. You see, I think it's true in France and I know it's true in other countries: People view the U.S. presence as stabilizing, as having played a significant role in preserving a peace that, in terms of European history, is a long one. And I don't want to have this coming out in a chauvinistic sense, but I think the American people have to feel, one, the American presence is wanted. And part of the command structure, I think, contributes to the view that we have an important role to play and the Europeans want us to have an important role to play.

So, I've given no thought to any substantive changes in all of this. But if anybody has a different view, I'd be willing to hear it. But this is why I'm happy with the existing structure.

North American Trade Agreement

Q. Mr. President, your officials and Mexican officials have said they are ready to pursue, or at least consider, the idea of a free trade agreement. When you were in Toronto last week, you did say that you thought Canada should continue to show interest in trade with Mexico. Do you think it's a good idea for Canada to pursue a separate deal with Mexico; or should Canada, Mexico, and the United States sit down together and pursue a three-way deal, just as the European Community is working together?

The President. Are you talking about a free trade agreement?

Q. A free trade agreement.

The President. I think it's premature for a three-way free trade agreement. I expect Mexico feels that way; I believe that Canada feels that way. I talked in the campaign about a North American accord and doing more together. But the sensitivities on this question in Mexico are such that we ought to let President Salinas set the pace here. And so, it is a sensitive subject there, just as some fallout from the free trade agreement with Canada and the U.S. is sensitive.

So, I think it's better to crawl before you walk, walk before you run. And the next step is to sit and talk with the President of Mexico, if this is still on his agenda, when he comes up here. And I say that because I don't want to be out saying what our meeting is going to be about. But you're right that there has been public speculation on this; indeed, different officials in our administration and Mexico have talked about it. But because of its sensitivity, I prefer to let Mexico speak for itself, and simply say I think we need to move forward in a bilateral sense, and Canada might want to move forward in a bilateral sense—that's up to them, though—before we talk about a North American accord meeting, a three-way free trade agreement.

British and French Nuclear Capabilities

Q. Mr. President, when you were in Bermuda, did you discuss with Mrs. Thatcher the status of the Trident, which as you know the Labour Party would like to include very quickly in arms control negotiations? Do you expect to discuss the French independent deterrent with Mr. Mitterrand?

The President. We touched only peripherally on that. Prime Minister Thatcher knows that she doesn't have to sell me on the French and British deterrence and the

way in which they view their own nuclear capability. So, it wasn't what I would call a significant agenda item because I don't think we have any differences.

Brent [Brent Scowcroft, Assistant to the President for National Security Affairs], you were in those. Is that about the way it was? I don't think it was, unless there were some other discussions that went on not in our group.

Mr. Scowcroft. No, there wasn't an extended discussion because there aren't really any points at issue.

The President. Yes, we didn't have it as a formal agenda item.

U.S. Role in Europe

Q. Mr. President, did you like the phrase, "first among equals," as a description of your vision of America's place in the network of democratic alliances?

The President. Well, I think many of our allies look to us as the first among equals, given the blessing of the size of our gross national product and given our historic commitment to the security of others. But I don't know that—when I go sit down at a NATO meeting, I don't go there seeking a kind of recognition on that point. But I think the realities of the world are such that many look to us as essential—in this instance—the security of Europe. Certainly, we've got to be dealt with on trade matters.

And I am one who does not believe some of these elitist theories about the decline of America. I don't believe it; I don't think the American people believe it; I don't believe our allies believe it.

German Reunification

Q. Mr. President, do you think that the new Germany we've seen to come out in—one day is going to make and to cause any major problems—we being the EEC?

The President. No. Within these what?

Q. The EEC, the European Economic Community. There are some worries, you know.

The President. Yes, there are some concerns there about it, but I expect they can be sorted out. But the concept of a unified Germany does not cause me worries. I know there are perhaps nuances of difference on this one, but Germany has been a strong democracy here for a long time now—a long time. And the NATO position has been: Unification is okay. We don't worry about that at all.

But we want to stay involved as the United States. We want to be there as one who enthusiastically would deal with a unified Germany. And after this unity, there will be problems that we probably haven't even considered. But we're not opposed to it, and we don't worry about it.

Mr. Fitzwater. We're going to have to break. If you've got a final question or two.

Q. Well, I——

The President. In the name of *egalite, fraternite.*

Q. ——stay on the sidelines just on a followup.

The President. Go ahead. Try.

Quebec Independence

Q. You have made clear your——

The President. You'll find I'm immovable——

Q. ——preference for a strong, unified Canada. Why? What difference does it make whether the United States is dealing with a separate Quebec?

The President. It makes the difference that this is the internal affair of Canada. And I learned something long ago: Do not intervene in the internal affairs of another country. That's pretty hard sometimes. In this one, it's easy.

You get another question because that was so cinchy. Go ahead.

Q. Oh, I do have another question?

The President. Yes. That's because that's just a follow-on to the other one, and it's just—look, that's a cinch, that one.

The President's Visits to Canada

Q. The question that many young Canadians sometimes ask me when I'm visiting back in Canada is: Mr. Bush has come to Ottawa—a quick trip to Ottawa, a quick trip to Vancouver, a quick trip to Toronto. He never seems to stay overnight. When he goes to Bermuda, he'll stay overnight, or he'll do this. Is there some reason that you don't like Canada, or is it too cold for you? Is there not good sporting and fishing up there? It's worth staying for?

The President. It's fantastic, but I have mean schedulers. I have invidious people there that do not let me do that which I'd

like to do. And besides that, I have such a good feeling about Canada that frankly it never entered my mind if some might feel this way. But someday I will have the joy of doing that which I like best: recreating in Canada. Because I've been to Banff; I've been to the west. I know the country reasonably well. And I'd like to think that I would have a scheduler around here who would be a little more considerate and permit me to do that.

Frankly, I think it's a good thing—the baseball recreation there—because the Blue Jays drew more, I am told, than any other team last year. They've got a fantastic stadium. And it sends a good hands-across-the-border signal. So, even though I get sheer pleasure out of going there and the little annoyance about Canada's defeat of the Texas Rangers, I think it was worthwhile for our national pastime—a game that I really enjoy.

So, I got some recreation there in that fantastic baseball stadium, but not near enough. So, if any of your readers feel there is any slight, tell them to call a man named Joe Hagin. [*Laughter*] His number is 456–1414. [*Laughter*]

British Prime Minister Thatcher

Q. Could I just ask, Mr. President, do you think that after a week in which Mrs. Thatcher was very heavily criticized and virtually written off in the American press whether her final reputation will be affected by——

The President. By what?

Q. Whether her final reputation will be affected by the pasting which she has taken in the last couple of weeks here and the differences you've had over Europe and Germany?

The President. Look, I read these polls. And I don't know what Mr. Ortega's pollster is doing now, and I don't know what the guy that said I wouldn't win because I was 17 points back in the summer of 1988 is doing now. But whether polls are right or wrong—and I don't want to denigrate all pollsters because I think there is a science there that sometimes is quite accurate. But I've just pointed out a couple of egregious errors here.

But I don't think you deal with heads of government based on whether they're up or down in the polls, or even speculate. So, I was giving you a very honest answer about the opposition. I mean, the opposition leaders would come here, we'd see them. I would think that's the way it ought to be. But I'm enough of a politician to know that people can be down one moment and then soaring like an eagle the next.

So, I missed your question just a little. What was it?

Q. I asked about her long-term reputation. Perhaps you could sum up, because whatever happens, she is coming to the end of a very long time in office. Could you say anything about what you think her long-term——

The President. No, no. That would be a matter for——

Q. ——reputation?

The President. Well, a reputation——

Q. Do you think——

The President. Oh, excuse me. I thought you meant whether she would rebound out from all of this. Well, I think, at least in this country, people see her as a very courageous, principled leader who fights for her beliefs and has survived many ups and downs. So, they give her great credit. And I would be, in that vein, for courage and for—and another thing that she gets credit for here is a special feeling about the United States, a recognition that it's good for the U.K. and the U.S. to be close. I think she gets great credit from that not just in conservative circles or, say, Republican circles or IDU-affiliated circles, but across the board here in our country they see her as a tough, courageous leader who has enjoyed great success and with whom Presidents have enjoyed a very close, important relationship. It's about in there, I'd say.

Mr. Fitzwater. Thank you all very much.

Note: The interview began at 10:10 a.m. in the Oval Office at the White House. Participants included Peter Stothard, Times of London, United Kingdom; Norma Greenaway, Southam News, Canada; Michael Elliott, the Economist, United Kingdom; and Jerome Marchand, Le Point, France. Marlin Fitzwater is Press Secretary to the President. The interview was released by the Office of the Press Secretary on April 17. A tape was not available for verification of its content.

Remarks at the White House C and Economics Global Change
April 17, 1990

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through May 12, 1990, as "Be Kind to Animals and National Pet Week" and has authorized and requested the President to issue a proclamation in observance of this week.

Now, Therefore, I, George Bush, President of the United States of America, do hereby proclaim the week of May 6 through May 12, 1990, as Be Kind to Animals and National Pet Week. I call upon the American people to observe this week with appropriate programs, ceremonies, and activities.

In Witness Whereof, I have hereunto set my hand this second day of May, in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fourteenth.

George Bush

[*Filed with the Office of the Federal Register, 10:34 a.m., May 3, 1990*]

The President's News Conference
May 3, 1990

New Western Strategy for Europe

The President. Let me just open with a statement, and then be glad to take some questions.

The revolutionary changes transforming Europe are moving us from the postwar era to a new era in history beyond containment. The revolutions of 1989 that have brought democracy to Eastern Europe, the prospect of German unification, and my hope for rapid conclusion of a CFE [conventional force reductions in Europe] agreement bring us close to a peaceful and more stable Europe, whole and free.

And I'll be speaking tomorrow at commencement ceremonies in Oklahoma State University about my conception of America's place in the new Europe. And I want to use this press conference today as an opportunity to highlight for you a few of the ideas I plan to discuss at greater length tomorrow.

We've arrived at this historic point by maintaining a strong partnership with our European allies. NATO will remain vital to America's place in Europe. It is a proven structure upon which to base our security and from which to promote a stable, cooperative European order.

The alliance is now ready to take on new challenges. And in order to set a new Western strategy for these times and after consulting personally with my allied colleagues, a consultation completed by Secretary [of State] Baker in Brussels today, I'm calling for a NATO summit in early summer—late June or early July, probably. The fundamental purpose of this summit should be to launch a wide-ranging NATO strategy review for the transformed Europe of the 1990's.

To provide direction for this, I suggest that this summit should address first, the future political mission of the alliance, reaffirming its crucial role in managing and stabilizing the transformation of Europe.

Second, the alliance's conventional defenses for the future and next steps for conventional arms control. While we're still in a period of transition, as Soviet forces leave Eastern Europe and our arms control works move forward, we need to develop a new strategy for the period ahead.

And third, the role of U.S. nuclear forces in Europe. As democracy comes to Eastern Europe and Soviet troops return home, there is less need for nuclear systems of the shortest range. And in response to these new conditions, I've decided to terminate the follow-on to Lance program and cancel any further modernization of U.S. nuclear artillery shells deployed in Europe. The NATO summit should agree on broad objectives for future negotiations between the United States and the Soviet Union on the current short-range nuclear missile forces in Europe, which should begin shortly after a CFE treaty has been signed.

Fourth, the future of the Conference on Security and Cooperation in Europe, CSCE; to give it and especially its Eastern European member states a more active part in shaping Europe's future. The CSCE can help to build free societies and provide a forum for political dialog in a united Europe. My allied colleagues and I should agree to take up these ideas at the CSCE

summit this fall, to be held around the signing of a CFE treaty.

The future of the United States cannot be separated from the future of Europe. And so, along with our allies, we must prepare for the magnificent opportunities that lie ahead. In these times of uncertainty and hope, NATO will continue to be vital to America's place in Europe and a bulwark of democratic values and security.

So, this is what I'll be talking about tomorrow. And it has been discussed by Jim Baker with our allies in Brussels yesterday and today.

I don't know who has the first question but—Helen [Helen Thomas, United Press International].

American Hostages in Lebanon

Q. Mr. President, you said that things were moving on the hostage front. Can I ask you what are the prospects of getting all the hostages out? They may sometimes feel like sacrificial lambs as the U.S. stands and waits. What good will gesture do you have in mind to facilitate this and expedite their release?

The President. I would have in mind any gesture that wouldn't be perceived as negotiating for the release of hostages. We have a policy; I'm going to stay with that policy.

But let me give you an example, Helen. One of the things that the Iranians are interested in is the fate of, I believe it was, four Iranians that were taken, I think, back in '82. Now, if there's some way that we can go back and get any information that would relieve the anxieties of the loved ones of those four people, we ought to do that. And it is our view—and I've said this, made this clear that it is the best information we have—that these people are not alive.

But just as we'd like a full accounting for Higgins, our heroic Marine that apparently has been killed, I can understand the Iranians wanting a full accounting, even though they know we have nothing to do with this. So, here's an area where they have said they'd like some information, and if we can get it, I think we ought to get it. And we're trying. So, if that is good will, so be it. I hope it is. That's the way I would intend it. And there may be other things we can do. But, look, I understand the anxiety of the hostage families, and I can understand the broken hearts. And that's why I'm not going to shift and act like everything is normal.

Q. Well, what are you really doing now to——

The President. I've just given you one example. And if there are others, why——

Q. And are you passing this word to Iran, and also in terms of the frozen assets and——

The President. Yes. Well, that's been going on, as you know—some discussion on frozen assets. Abe Sofaer [Legal Adviser, Department of State] has been over there, and if they view that as good will, fine. And if that can continue now in some way, fine. But that we've already discussed in open—and I'm not sure they would view that as enough, you know.

Q. Does it look brighter, though?

The President. There's a third follow-on here. I don't know, Helen, and it's an awful good question. Look, I have tried very hard not to raise the hopes of the hostage families only to have them dashed. And there's a certain cruelty in this process when you flash a picture of a person that's held hostage and then another person appears in freedom. I welcome the release of Polhill and Reed. But I can't rejoice and say that my heart is full of great good will as long as six others are held hostage.

Yeah, Terry [Terence Hunt, Associated Press]?

Export Controls on Strategic Technologies and Goods

Q. Mr. President, within the last 2 weeks, you've been considering penalties against Moscow for its treatment of Lithuania. Now, however, you're liberalizing sales of computers and other high technology to Moscow. Senator D'Amato, among others, says that now is not the time to be nice to the Soviet Union. Why have you decided on this course of reward rather than punishment?

The President. Well, I don't consider the COCOM reevaluation a policy of reward. I'll have to discuss that with Al D'Amato to see that he understands the facts, because what we're doing is putting up tighter walls around needed items that are in the nation-

al security interest. When the other items that are not on the list for pure national security now, they're going to come off. And I don't view this as giving something to the Soviets at all. So, we just have a difference of opinion with the good Senator.

Lithuanian Independence

Q. To follow up on Lithuania: Do you endorse the idea from West Germany and Britain that Lithuania suspend some of the laws pertaining to independence?

The President. I think this is a matter that Landsbergis [President of Lithuania] spoke to yesterday and indicated some flexibility there. And whatever will facilitate dialog is good. And he has seen some merit in what was suggested by Mitterrand [President of France] and Kohl [Chancellor of the Federal Republic of Germany]. And I think that is very, very positive, and let's hope it goes forward.

American Hostages in Lebanon

Q. Mr. President, on hostages, didn't the ceremonious welcome that you gave Mr. Polhill here the other night and his access to you, to pass a message supposedly from his captors, send a signal to terrorists that the best way to communicate with the President of the United States is to capture an American and give him a message? And second, didn't the welcome given Polhill suggest that even citizens who disobey their government's warnings and then are captured, something their government's trying to prevent, can then be treated as heroes even by the President?

The President. Both of these considerations worry me, Brit [Brit Hume, ABC News], to be very honest with you. And I must say I enjoyed this meeting with this highly civil human being, who has a marvelous sense of humor in spite of his captivity, and I'm delighted. But what happened on that one was, we hadn't planned a great public ceremony of this nature. Timing was such that Mr. Reed came out, there was keen interest in having a response to the present, and so we accommodated this understandable interest by having a press conference. So, it wasn't timed to make a high visibility reception of Polhill.

The other thing is, he did have a message for me. And I've said I'm going to go the extra mile; I am not going to leave any stone unturned. And he brought it. He asked that it be kept confidential, and it will. And I don't think that part of it is bad.

I think that part shows that the message—I don't worry so much of the message. What I do worry about is if anybody perceives that we're putting a higher price on some human being by all of this. So, I was troubled by what you said. But I sorted it out and did my best.

Q. What about the message, sir? Can you tell us without laying it out in detail whether it taught you anything new about the situation over there?

The President. No, it did not teach me anything new about it. But it was the putting it all in one capsule that was very interesting. And I will share it discreetly with key members of our National Security Council and the intelligence community, but I must not violate his request that the message be confidential.

Relations With Eastern-Bloc Countries

Q. Mr. President, back to Europe for a minute. Your actions speak to a policy of helping Gorbachev even though your own Defense Secretary [Richard B. Cheney] says he's probably not going to succeed. And I think this is a question a lot of Americans would like to hear you answer: Why have you decided on Gorbachev over speaking out for American principle?

The President. I don't think I have, Lesley [Lesley Stahl, CBS News].

Q. Well, what about Lithuanian independence over Gorbachev?

The President. I don't think that's the choice. I don't think that's the choice. And let me repeat here—if anybody has any doubt about where their President stands: Of course, we favor self-determination. I don't think that's new—my saying that. And of course, we favor democracy and freedom. There's a lot at stake in all of this, and there's complications in all of this. Poland, Eastern Europe—I want those troops out, and I want to see the firming up of the democracies in Eastern Europe, and I want to see us keep this process going forward. So, our foreign policy is not based on just Mr. Gorbachev. Now, if the man has done something good and surprised everybody in

this room, including me, about the acceptance of freedom and democracy in Eastern Europe—and he has—give credit for that.

But on Lithuania, there's an enormously complicated problem. And I must say I'm looking forward to visiting with the Prime Minister in a little bit—of Lithuania. But I must convince the Lithuanian-Americans that my desire for their freedom and their self-determination is just as strong as anybody else's. And I also must convince those here and around the world that we want to see the peaceful evolution that's taking place towards democracy continue. So, when Terry asked his question about dialog, that is our policy. And I'm delighted to see that Landsbergis now feels there may be some merits in this policy.

But, Lesley, we can't place this on a you-have-to-choose-between-Gorbachev-or-Landsbergis. That's not the policy of the United States Government, nor should it be.

Soviet May Day Demonstrations

Q. Well, a followup: The May Day parade—Mr. Gorbachev was heckled. Your Defense Secretary says he doesn't think that Mr. Gorbachev can succeed with his reforms. Do you?

The President. The May Day parade? He ought to come join some of the parades I go to around here. This goes for your horse, too. I mean, you ought to see some of the expression of—[*laughter*]—look, that's the fruits of democracy. He's just learning. He's just learning. So, I wouldn't read too much into that. Yes, there's some discontent. A lot of it relates to the economy, and some of it relates, by Lithuanians inside the Soviet Union, to the handling of Lithuania.

There's a good side to all of this. I sometimes ask myself if that's true, but it is because that's the way fledgling democracies are beginning to work and that's the way our system has worked. And I don't suppose if anytime anyone points to a demonstration that gets rambunctious in the United States and points to—that means instability in the United States system; there's got to be something crazy. Because that isn't the way it works.

Federal Budget

Q. You seem to be getting serious about the budget now. You invited congressional leaders to the White House Sunday night to talk about the budget. No one in Congress believes your budget projections partly because interest rates have risen since you announced your budget. Should you revise your budget projections? And when you talk to Mitchell [Senate majority leader] and Foley [Speaker of the House], is everything on the table? Everything negotiable, including taxes?

The President. In the first place, yes, we've been a little off on interest rates. But I will say that we've been very close to right on growth in the GNP. But I think we're required by law to come up with a new forecast later on this year.

But, look, here's what we need to do. We sent a budget up, and, okay, so nobody was too enthusiastic about it. Nobody's very enthusiastic about the Senate budget. Nobody's very enthusiastic about the House budget, in my view—really enthusiastic.

So, what we have to do is start talking process and how we go forward. And I'm not going to sit here and do nothing. So, that process has worked. Congress was supposed to have moved by April 1st, and they didn't. Now there seems to be more action, so it seemed to me like a good time to sit down and talk process and see where we go now.

Q. You didn't say you were going to talk taxes. And beyond that——

The President. I didn't say we were going to talk any substance. This meeting that you've referred to is to sit down and meet with four leaders. Oddly, it worked out very nicely because I wanted to invite them all to come to a Presidential lecture series on Teddy Roosevelt on Sunday, and afterward we'll get together and discuss something a little more complicated.

Q. I haven't heard any "read my lips." Are taxes——

The President. No, you haven't heard it because I'm going to sit down and talk to them about what I said I was going to talk about.

Q. Can I follow on the budget?

The President. Nice try, though, John [John Cochran, NBC News]. I'm not saying—we're not into a negotiation. We're talking process. One problem about having that all out is, people are going to under-

standably want to know all these conditions and preconditions. But we're not there. What we are at is, we've got to move forward, and I've got to find a way to do that.

Federal Deposit Insurance Corporation Chairman Seidman

Q. Can I follow on the budget, Mr. President? It appears now the administration has acknowledged what your FDIC Chairman, Bill Seidman, had been saying all along, which is that the savings and loan bailout is going to be a lot more expensive than you initially anticipated. Why, then, are you so anxious to see him leave, and how are you going to accommodate his increased costs at a time of fiscal constraint?

The President. Hey, listen, I haven't told you I'm anxious to see Bill Seidman leave.

Q. Aren't you saying that you wouldn't be unhappy to see him leave?

The President. Bill Seidman asked to see me a while back—came to see me. Said he was not going to fulfill the rest of his term, and we discussed that. He asked to see me to tell me that. Today he called me with the name of a successor that he enthusiastically supports. And he's done a good job. We have a significant project that he's in the middle of handling—we call it the June 30th Project—to get a lot more done with a lot of these savings and loan in a short period of time. He's agreed to enthusiastically tackle that.

And he also said, look, I understand if you might want to put your own person in there. But it's his initiative with me, and today he suggested the name of a Bill Taylor who we're very high on to take over his responsibilities. So, it's one where everyone wants to have winners and losers, and I don't think there are any. I think Seidman has conducted himself with extraordinary grace and great ability. I've known him for years, worked with him way back when.

Savings and Loan Bailout

Q. Mr. President, the costs. How to deal with the increased costs of the bailout.

The President. We've got to work with the Congress on how to deal with the cost. And right now, there's a significant review going forward to see what the costs are. The figures change all the time on you.

Defense Spending and Foreign Aid

Q. Mr. President, you talked a minute ago about fledgling democracies in Eastern Europe. Has your administration given any thought to a wholesale reevaluation of America's foreign aid requirements now that the Warsaw Pact is collapsing? And two, what's your response to those who say that we ought to take some money from the military and spend it on foreign aid for these fledgling democracies?

The President. My response to the latter part is: Everybody wants to take money from defense to do something else. And the Defense Secretary and I want to provide adequately for the defense in a changing world. And I think Dick Cheney's done a good job up there trying to hold the line against a Congress that says, Anytime there's a need for anything, please take it out of Defense. And so, we're in a problem of my trying to hold the line, ably supported by and, in some instances, led by Dick Cheney, who's up there really fighting this battle.

What was the first part, excuse me?

Q. About a full-scale review of America's foreign aid requirements. Are you interested in doing one of those or not?

The President. Well, I'd be interested in a full-scale review. I mean, a lot of our percentage of aid goes to a handful of countries. And here we have a man coming in here today—the Prime Minister of Jamaica, Mr. Manley—who has just done a first-class job in trying to move Jamaica forward in many, many ways. And I salute him for that. But his aid was a small amount, and I believe it's been just lined out because of insufficient resources or failure to reallocate.

I've suggested that the President be given a discretionary fund out of all this foreign aid so we can accommodate a person that is trying to take his small country and firm up its democracy. So, I think a review of the nature you're talking about might be helpful, but I remember my days in Congress: Foreign aid doesn't have the constituency out there that domestic programs do.

American Hostages in Lebanon

Q. Mr. President, have you done an analysis of these hostage releases, such that you conclude whether or not this is the beginning of a process that's likely to lead to all the releases? And what is the United States doing behind the scenes that might have contributed to these releases? We know you're talking to Iran through third countries, but can you give us sort of a status——

The President. I can't say that our actions facilitated the release of Reed and Polhill. I hope that the affirmation and reaffirmation of our policy might have contributed to it, but there was no behind-the-scenes negotiations that will come out that show that we pulled this off. I wish I could—I was going to say, I wish I could say that was true, but it would have to be true within these confines I've spelled out here earlier on. But we will continue to stay with the policy, trying to show good will where we can do it without violating the policy.

Q. Then have you concluded, sir, whether this is the beginning of a process of——

The President. The intelligence community's looking at that right now. The debrief of Reed and the debrief of Polhill might contribute to that. But you can rest assured that I have asked for that answer: Will this lead inevitably to the release of others? But I can't say that I've gotten any feeling that this process is destined to go forward in a short period of time. I wish it was different. I so wish it were different.

Support for President Gorbachev

Q. Mr. President, there's a report in Europe today, citing Western intelligence sources, that on February 25th, the day of large demonstrations in Moscow, Mr. Gorbachev was perilously close to being overthrown—the Soviet Army troops were mobilized. Is it your assessment that he has come that close to facing a coup of some type within the Soviet Union?

The President. I was not advised of that by the intelligence community.

Q. Well, beyond that, sir, is there at any point, in any sense—as we've heard you say many times, you want Gorbachev and *perestroika* to survive—that you are structuring your program to assist him in any way, shape, or form? That that's why you're toeing this very difficult line between Lithuania and Moscow?

The President. I've expressed my keen interest in seeing *perestroika* succeed. Gorbachev is the architect of *perestroika*. Gorbachev conducted the affairs of the Soviet Union with great restraint as Poland and Czechoslovakia and GDR [German Democratic Republic] and other countries achieved their independence. But you can't build a foreign policy of a country on the presence of an individual. You can build it on ideas. You can build it on how do you facilitate the change toward democracy and freedom, whether it's in the countries where that's taken place or in the countries where it hasn't taken place. And so, I would say I salute the man for what he has done. I think he's under extraordinary pressure at home, particularly on the economy; and I do, from time to time, worry about a takeover that will set back the whole process. But I have no evidence to support the incident or the timeframe that you asked about.

Q. Or any other?

The President. Or in any timeframe, yes.

Chinese-U.S. Relations

Q. Mr. President, it's been nearly a year since the Tiananmen Square massacre. Can you point to anything in the last year in your policies that have improved the situation there after a year of trying to head off severe sanctions and keep the rhetoric down?

The President. Well, several things. I've already mentioned them, and I'd repeat—Fulbright and Peace Corps and some of these matters. But I'm disappointed. I've said that publicly before, and I am because I would like to think there would be a more vigorous response. I was pleased that they lifted martial law in Tibet the other day.

So, there are some things that are happening that are going in the right direction, but overall, I'm disappointed. And yet preserving a relationship with the People's Republic of China in the broad global context is important. So, I have no apologies. I have no feeling that I took the wrong path. I mean, we did, by Executive action, everything that the Congress would have done by legislative action—everything. And so,

there wasn't any substantive difference with the Congress on this.

And so, look, I'll express a certain disappointment because I'd like to see more action, more things happen that really move the whole process forward.

Q. Do you have anything in mind other than expressing disappointment to move things along?

The President. We've got some diplomacy in mind.

Soviet Acceptance of European Realignment

Q. Do you think that your proposal of nuclear weapons in Europe will be enough for the Soviet Union to accept a reunified Germany within NATO?

The President. Our policy on what?

Q. Your change on nuclear weapons in Europe—will that give you——

The President. You mean on the Lance follow-on?

Q. Will that be enough for the Soviet Union to accept a reunified Germany?

The President. I think they're going to accept it because that's the right thing to have happen. And I want to see that determined by the alliance and keep the solid alliance position. And I want to see the Soviets understand that it is in their interest for a U.S. presence, in their interest for an expanded NATO, in their interest in a united Germany to be inside that expanded NATO.

We got to get back to some of these backbenchers, or I'm going to catch it. You can hear the enthusiasm for that.

Soviet-U.S. Arms Reduction Negotiations

Q. Mr. President, the Soviets seem to be backpedaling in both START [strategic arms reduction talks] on the cruise missiles and some of the things we think they agreed to on troop levels on CFE. Are you concerned about this? And what's your assessment now of the prospects for both a START treaty and a CFE treaty this year?

The President. We're going to have to hustle. We're going to have to hustle, and they're going to have to come forward. But I don't want to say we're not going to get a CFE agreement, and I don't want to say we're not going to get the principles of a START agreement locked in. And that's what I'd like to see happen, and the summit that's coming up serves as some incentive for that to take place.

Q. Were you concerned that they've reneged on some things the United States thought they agreed to, and does that suggest Mr. Gorbachev's not living up to his commitment to move——

The President. It suggests a lot of things. When you analyze the Soviet Union very carefully—some things that are quite disturbing if, indeed, they stay in a position where they back off. But let's hope that that can all be resolved. But if you analyze carefully that they pull back on that, then you've got to say, Why is that happening? What's the military saying who are most affected by decisions of that nature? This is a matter of some concern.

U.S. Military Involvement in Drug Interdiction

Q. Mr. President, on drugs, have you changed or are you contemplating a change in your stated administration policy which forbids active operational involvement of U.S. military forces in foreign countries?

The President. I'm not sure I understand what you're—what policy that involves active military? I want our military to be involved in interdiction. And they are involved in interdiction, and they're doing a good job in that.

Q. Will they be or have they been involved in specific operational missions, such as searching for drug cartel leaders?

The President. Inside Colombia? Be more specific, please, and I'll try to help you.

Q. Much talk about Gacha. Were they involved in the Gacha——

The President. No. U.S. troops in Colombia? No. That's the answer. Next. Do you have a followup?

Q. I have an unrelated follow.

The President. No, unrelated follow-ons are not fair.

Hostages

Q. Mr. President, on the hostages, you have frequently pressed the kidnapers to release them. You have urged Iran and Syria to do whatever they can to release them. One of the Iranians' demands—or the kidnapers' demands is the release of the 400 Shiites and Sheik Obeid that the Israelis

hold. You have not pressed the Israelis to do something to facilitate a resolution of that problem. I'd like to ask you why not and why the Arab nations should not see it as a double standard?

The President. I've stated my position: that hostage-holding is unproductive towards facilitating political change. And I'll repeat it again. I want to see all hostages released. There are some, obviously, in all Muslim countries. In Israel, there's definitional problems there. But the United States is opposed to taking hostages.

Q. Why is there a definitional problem?

The President. Because some people view people that they hold as having broken their laws, and some don't. And it's not for the U.S. to make these determinations. It is for the United States to say we oppose taking of hostages and holding people against their will just to effect some kind of political change.

Soviet-U.S. Arms Reduction Negotiations

Q. Mr. President, you raised the question a moment ago about what is it that the Soviet military is saying in the apparent backing off. What do you think that they are saying, and do you believe that your announcement today about missiles in Europe will change the Soviet military's attitude towards the negotiations that are currently going on?

The President. No, I'm not doing these things just to put at ease the Soviet military at all. We're doing this because we feel that it's in the alliance's interest and in the interest of world peace. But I must tell you, I sometimes do worry about the military resurgence of some kind inside the Soviet Union. Of course, I worry about that.

Baltic States Independence

Q. Mr. President, the Legislature of Latvia meets today to consider its independence. Would you advise them to be less confrontational in their approach than Lithuania was?

The President. I have no advice for them whatever. I can identify with their aspirations for freedom. I have noted that there's some nuances of difference in the way they are approaching the matter. But that is a matter for them to work out. And the answer is dialog—some would say negotiations; call it what you will—talking to each other to facilitate self-determination and independence. And that's the way they ought to do it. And I get the feeling that that's what they're about.

Q. Mr. President, with this call for dialog and with this step of meeting with the Prime Minister of Lithuania [Kazimiera Prunskiene] later today, do you see yourself assuming some sort of a mediation role between Vilnius and Moscow?

The President. If there was a role for the United States—and I've thought about that. I've talked to Brent [Brent Scowcroft, Assistant to the President for National Security Affairs] and Secretary Baker about this. And if there was a constructive role for the United States, of course, we should fulfill that role. But there's not. And I don't see that emerging for a lot of different reasons. But if somebody said you can facilitate that through being a negotiator, which is just hard for me to conceive given the realities in the world, of course, we'd be interested in doing that. But I don't think that's a reality.

Q. A followup, sir. Do you find yourself in an unusual or odd diplomatic position in referring to this woman as the Prime Minister? Marlin Fitzwater [Press Secretary to the President] has told us that you will address her as Prime Minister, but yet you do not recognize her as the Prime Minister of an independent country.

The President. No, I don't find myself in a dilemma there.

Mrs. Bush's Commencement Address

Q. Mr. President, a small group of students at Wellesley have objected to Mrs. Bush's——

The President. Yes, Ellen [Ellen Warren, Knight-Ridder Newspapers]! [*Laughter*]

Q. Mr. President, do you believe that there is any merit to their argument that Mrs. Bush's accomplishments are largely related to her marriage to yourself? [*Laughter*] And secondly——

The President. I can't have any argument with that. [*Laughter*]

Q. Oooh.

Q. We've got a lead. [*Laughter*]

Q. ——by their hesitation to have her speak to them?

The President. Yes. And Mrs. Bush herself has put it that her ability to serve as, I think, a terribly effective Point of Light stems from the fact that she's married to the President of the United States. But I think that these young women can have a lot to learn from Barbara Bush and from her unselfishness and her advocacy of literacy and of being a good mother and a lot of other things. So, I have no objection. As Bar said yesterday, she isn't concerned that the 125 students feel this way. And I think they'll learn a lot from her. And she wants to go, and she's not concerned by it at all. But she herself said, "Look, I know why I'm privileged to be able to serve in this visible fashion." She's not trying to be something she's not. The American people love her because she's something she is and stands for something.

Mexican–U.S. Relations

Q. Mr. President, do you think that the relations with Mexico have been damaged by the Machain case? And can the United States pay bounty to foreigners to abduct people in other countries?

The President. The United States has had an official system of rewards. Remember at the time of Noriega and stuff there were some rewards out. But I hope the relations haven't been damaged. The Vice President, incidentally, did a very good job in explaining the policy to President Salinas himself. Our Attorney General [Dick Thornburgh] has worked very closely with the Mexicans. We have had superb cooperation from Mexico in fighting drugs—outstanding. And so, I salute them. But, yes, there was some misunderstanding here, and I have told our key people: Eliminate the misunderstanding. We don't want misunderstanding with Mexico; we don't need it. We need continued cooperation, and we're getting continued——

Q. But in the future, are they going to continue going into Mexico—the agents of the United States?

The President. That's a matter for Mexico to decide. And if Mexico wanted to have some people work with our people here, and that could help the fight against narcotics, I would be very open to that if it fit into our fight against drugs.

I've got time for two more. One in the middle, and then, Sarah [Sarah McClendon, McClendon News], you get the last one.

Federal Deposit Insurance Corporation Chairman Seidman

Q. Mr. President, if Bill Seidman has done such an outstanding job at the FDIC in overseeing the savings and loan bailout, why didn't you prevail on him to stay on to assure continuity and an independent voice at that agency?

The President. Because I think that his decision was a personal one, and he's entitled to make it, and that's why. And I support it, and I salute him again.

Q. He didn't bring bad news about what the cost of that bailout might be, did he?

The President. Listen, if all the people who brought bad news in here were asked to do something else, it would be a little lonely. No, that's not the reason for this at all. I would ask that you talk to Bill about it.

Q. Mr. President, is this the last question?

The President. This is the last one. You've been a very good sport.

U.S. Military Involvement in Drug Interdiction

Q. Sir, thank you very much. I want to know if you are going to ask permission from Congress to send U.S. troops into Peru and take $35 million of our much-needed money right now and build a military installation down there for us to train their troops to fight drug cartels?

The President. To send U.S. troops in there to do that?

Q. Are you going to ask Congress for permission to do that?

The President. I have not considered asking Congress for that. But if there's some training role that will facilitate the fight against drugs, I would be willing to consider it. But I have no intention of asking Congress at this moment for anything of that nature.

Q. Do you feel now that you have the authority to build this installation, which has been reported that you were planning to build, down there in Peru?

The President. Just a minute. I need expert advice on this. Your talking about building a facility? What facility? What facility are we talking about? We'll have to get

back to you. [*Laughter*] See the kind of advice I'm getting here. [*Laughter*] No, really, I'm sorry. I just don't know about any facility. But I do know that the concept of training is a very valid concept. I don't think it requires approval from the U.S. Congress. But if the law requires me to ask, if we do something that's going to require that along the lines here, then I would ask. We're not trying to get around Congress; we work very cooperatively with them.

I have to go.

Q. One more.

The President. No, I have to—all right, one more. No, not you.

Missing Iranians

Q. Earlier you dropped a hint about the United States helping obtain the release of some Iranian hostages. Who has got them, and how can you help?

The President. These were four Iranian diplomats that were taken in Lebanon in 1982. And the Iranians don't feel that they've had a full accounting of these people. In fact, I think they still hope that those people are alive. The best information we have as an outside party to all of this is that they are not still alive.

But my point is, if Iran feels that way and the families of these four people feel that way, this is something where we should use every asset we have to disperse the lack of information, to bring them the facts if we can. See, this is something they feel strongly about. They've mentioned it to us several different times. And here's something we can do without violating our policy. It's something I'd like to do. And I think they would consider this a gesture of good will.

So, we're trying very hard. Again, I wish I felt that the answer we gave them would be different than the one—because there's a human equation here. There is some suffering here on families in Iran. So, it's——

Q. Are you doing something, though, in this specific case?

The President. What?

Q. You've spoken about the things that you could do. Are you doing something in this case?

The President. Yes, we're trying to find—it's very hard to do.

Q. How did the Iranians mention it to us? How did they mention it to us?

The President. Very carefully.

Note: The President's 46th news conference began at 10 a.m. in the Briefing Room at the White House. In his remarks, he referred to the following individuals: Lt. Col. William R. Higgins, USMC, chief of the U.N. peacekeeping force in southern Lebanon, who was kidnaped by pro-Iranian terrorists on February 17, 1988, and allegedly hanged on July 31, 1989; Robert Polhill, an accounting professor at Beirut University College who was kidnaped by pro-Iranian terrorists in Beirut on January 24, 1987; Frank Herbert Reed, the director of the Lebanon International School who was kidnaped by members of the Organization of the Islamic Dawn on September 9, 1986; and Sheik Abdul Karim Obeid, the senior Moslem cleric and Hizballah leader who was abducted from his home in Jibchit by Israeli forces in southern Lebanon on July 28, 1989.

Remarks Following Discussions With Prime Minister Michael Manley of Jamaica

May 3, 1990

The President. Mr. Prime Minister and members of the Jamaican delegation, thank you for coming to the White House. We are pleased and, indeed, honored that you are with us here today. It's been my pleasure to host Prime Minister Manley on this first official visit to Washington. Columbus may have had something going correct when he said in 1494—he called it "the fairest isle that eyes have beheld," speaking about Jamaica. And those of us who have been there, and I'm included, understand exactly what Christopher Columbus meant.

The United States and Jamaica enjoy a very close relationship, and that's because we have so many bonds of friendship and family. Some 5,000 Americans have made Jamaica their home, while 400,000 of your people have settled here in the United States, and I think that's to the enrichment of both countries. Early in this century, one Jamaican couple moved to this country. They raised a son, told him to do something

details worked out by the time of the summit.

Q. Do you share the disappointment that others in the administration, Secretary Baker, and Foreign Minister Shevardnadze have expressed about the outcome of last week's discussions?

The President. No, I'm not disappointed. But, I mean, look, you deal with what's on the table; and I'm determined to see that there's no misunderstanding about the American position. And that's why I felt the visit with Shevardnadze was very good.

Anybody want to know anything about the national pastime? [*Laughter*]

Meeting With Prime Minister Mulroney of Canada

Q. What are you going to talk about?

The President. Wide array of subjects, including Europe, Central and South America, and then there are some bilateral issues. This meeting was—we talked about it for a long time, but this just seemed a wonderful way to do it. I think it's—as a baseball fan—and I think the commissioner agrees with me—this shows an interest on the part of the President, the commissioner, and the Prime Minister of Canada for baseball being an international sport. And as he pointed out to me, one of the biggest drawing teams in either league is the Toronto Blue Jays, and we're going to see a beautiful baseball park as well as see a good opening game for Canada. So, I think it's good. We forget sometimes they've got two very aggressive, good ball clubs in the big leagues.

Q. Don't detract from the Rangers, right?

The President. No, we don't want to detract from them at all.

Q. ——call it the national pastime going to Canada?

The President. Well, I think we want to get them to buy into that definition. That's why we're going.

I want to get there the same time you guys do, so I want to put my seatbelt on.

Q. Are you going to throw a curve or a slider?

The President. I'm going to go with a slider this time. I've had such good luck in the last couple of years. The catcher let me down one time when he couldn't get into the dirt and grab it properly.

Q. See you later.

The President. I'll see you later.

Q. Are you working your stuff, Mr. President?

The President. No, no. Nolan will handle the fast one, and I'll go with the stuff. You know how it is, Tommie [Tom Raum, Associated Press].

We'll see you. Thanks a lot.

Note: The exchange occurred en route to Toronto, Canada, prior to the President's meeting with the Prime Minister. In his remarks, the President referred to Fay Vincent, commissioner of baseball, and Nolan Ryan, a pitcher for the Texas Rangers. A tape was not available for verification of the content of these remarks.

News Conference of the President and Prime Minister Mulroney in Toronto, Canada

April 10, 1990

Meeting in Toronto, Canada

The Prime Minister. I just want to tell you that the President and I have had, what I consider to be, an excellent meeting. We'll be meeting again over dinner before the Blue Jays inflict terrible damage upon the Rangers. [*Laughter*] But so far, our discussions have been friendly. [*Laughter*] And they've touched upon East-West relations, our trade relationships, our free trade agreement, the situation in Eastern Europe, the NATO summit, the Houston summit, the results of my recent visit to Mexico and to the Caribbean and the impacts on some American policies.

We had an excellent exchange of views. We were joined by Secretary [of State] Baker and his colleagues and Mr. Clark [Canadian Secretary of State for External Affairs] and a full Canadian delegation after, I think, the President and I had met for about an hour or so privately.

So, that, from Canada's point of view, was it. We thank you, Mr. President, for the visit of you and your colleagues. We welcome you all plus your media colleagues to Canada, and we wish you well.

The President. Well, thank you, Mr. Prime Minister. And before taking questions, let me just thank the Prime Minister

and his colleagues for their hospitality. I can tell you that I find these talks extraordinarily helpful. We're in complicated international times.

And the relationship between Canada and the United States is strong. I, today, once again, found the 3 hours of talks that we had extraordinarily helpful. It is very important that Canada and the United States be on the same wavelength as much as possible.

And so, sir, I'm delighted to be here. I found that this Prime Minister tells it as it is, with no coloration; and I view that as extraordinarily helpful to the United States, the way a good friend, the head of a friendly country, should do. And he's very forceful. We have some differences; but most of the time, on these big issues that he was referring to, I think we have broad agreement with Canada. And I think, as we move into important talks—the G–7 [economic summit] meetings, our meeting that I'm planning to have with Mr. Gorbachev, and other meetings—it is very important that Canada and the U.S. are together.

So, thank you, sir. I feel it's been well-worthwhile.

Lithuanian Independence

Q. Mr. President, has the stall on arms control and Moscow's tough stand in Lithuania raised questions in your mind about Mr. Gorbachev's intentions and chances for success?

The President. No. I don't know that it's raised questions about that. I think the Secretary of State made clear to Mr. Shevardnadze [Soviet Foreign Minister]—and I believe Mr. Gorbachev knows my views—that should things deteriorate regarding peaceful solution to the question of Lithuania it would be extraordinarily difficult to move forward as rapidly as I'd like to see us move forward with them on a lot of questions. But I think on a situation that's as complicated as that one, why, you give your opinion. Our opinion is that this matter must be resolved peacefully.

We have never recognized the incorporation of Lithuania into the Soviet Union. Self-determination and freedom are hallmarks of the United States policy always. And so, be clear in talking to Mr. Gorbachev, be clear in talking to other Soviet interlocutors, and hope that they will conduct themselves in a way that can move the dramatic progress that's taken place in the last year or so even further forward.

Acid Rain

Q. Prime Minister, don't you think that you could—with the President, on the need for the U.S. and Canada—for an acid rain proposal?

The Prime Minister. The President, I think, is of the view that once the legislation passes the Congress—it's gone through the Senate, thanks to his leadership and the leadership of Senator Mitchell—when it gets through the House, perhaps this summer we can begin the process of negotiating a bilateral accord on acid rain, which I think would be a great tribute to what both of us have been seeking for both countries.

Lithuanian Independence

Q. Mr. President, on Lithuania and the Soviet Union, sir, you called the other day for what you called good-faith negotiations; and I wonder if you think it's really realistic to call for good-faith negotiations in an atmosphere where one side has tanks in the streets, has closed borders, and used troops to storm buildings?

The President. No, I think it's even more important to have good-faith negotiations when you have a situation of that nature. And I would just appeal to all sides and anyone with any influence to encourage dialog and discussion as a way to solve this very difficult and complicated problem, because the United States position is clear.

Q. If I could follow up, you spoke of the need for peaceful resolutions, but I gather the administration did not comment on the specifics—as you go along here—but does the administration care about what the details of that resolution are and whether they're in any way fair to the Lithuanian side?

The President. We care because the underpinning of our policy is self-determination, freedom, and democracy.

[*The next question was asked and answered in French.*]

Soviet-U.S. Relations

Q. Mr. President, given the uncertainty about Soviet intentions in Lithuania, why did you agree to move up the dates of the summit? Doesn't that lock in the meeting and deny the United States the means of influencing the situation?

The President. No, it doesn't deny the United States the chance to do anything. I happen to believe when you have complications that that's a good time to talk; it's a good time to have more discussion; it's a good time to avoid difficulty, if possible, and to hammer out differences. But that wasn't why the summit meeting, as I explained to the Prime Minister earlier, was moved up. It just happened to work out that way; and they, I think, accepted a suggestion from us within 1 day that was behind the scenes. So, I want to dispel the idea that because the summit came earlier than some had expected that that had something to do with turmoil out there in anyplace around the world. But it is very important when you have difficulties brewing that you have discussion.

The Prime Minister. To complement just on that, to complement what the President has indicated, when we were in the Soviet Union, Mr. Gorbachev made it very clear that in respect to this problem that there would be—and I think I'm quoting him—"no crackdown in regard to Lithuania." And Mr. Clark, who was there, specifically sought reassurance from Mr. Shevardnadze; and he gave Mr. Clark the reassurances that he gave to Mr. Baker as well: that that was the intention of the Soviet Union, that was the policy of the Soviet Union.

They've moved along somewhat since then. But we support the approach that—both the United States and Canada have identical positions in respect of the juridical realities of Lithuania and the manner in which it was incorporated into the Soviet Union. And so, we believe that the prudence that the President has exhibited is the proper way to go.

Canada-U.S. Relations

Q. For the President. Sir, Canada's current constitutional problems involving Quebec. And I was wondering if I could ask you, sir, whether you're concerned with the rather dramatic rise in independence feelings in Quebec and the future stability and unity——

The President. I think, rather clearly, that's a matter for Canada; and it's not a matter that would be helpful for me to involve myself in or the United States Government to be involved in. It's the internal affairs of Canada. We have always enjoyed superb relations with Canada, and a unified, strong Canada is a great partner—has been, and will continue to be. But I think it would be inappropriate to comment further on a matter that is not an agenda item nor one that I feel comfortable getting into.

President Gorbachev

Q. Mr. Prime Minister and then Mr. President as well, if I could get both your assessments on this. We've heard the President and his administration repeatedly say that their foreign policy is not based on the survival of one man in the Soviet Union—Mikhail Gorbachev. And yet in the current tension with Lithuania, we've seen that Mr. Gorbachev's survival is very important to you. Is that, in fact, the case? Is that a shift in policy? Should it be?

The President. Is this for me?

Q. Both of you, if you would.

The President. Well, I don't think you base the foreign policy of a country on any individual: you base it on what you think is right. In this case, Mr. Gorbachev, the President, has a record of encouraging, or certainly acquiescing in, the peaceful evolution of democratic change in Eastern Europe—so dramatic that not one single person in this room, and you can start with me and then move briskly down the aisle here, predicted it at all.

In other words, he has demonstrated that he is committed to peaceful change and the evolution of democracy—inside, as he moves forward on *perestroika,* outside, as we see a peaceful resolution to questions in Eastern Europe that, as I say, anyone would have found difficult to predict.

But again, he is a known quantity in the West. Western interlocutors like myself—and the Prime Minister can speak for himself—find a frankness there and a willingness to discuss difficult problems that has not always been the case in dealing with the Soviet Union.

But again, things happen, and I don't think that the foreign policy can be shaped on the success of any individual. I mean, I think that you have to say what's right. But this man has, I think, in terms of past Soviet leaders, demonstrated an openness and a commitment to reform and openness inside that's remarkable. So, give him credit, and deal openly. But when you have difficulties like we have today, talk frankly with him about it.

The Prime Minister. On that, I was struck by the fact that when we were in Moscow, it was just at that time that the government of Czechoslovakia—I think the day before—had been overthrown. And there were 300,000 people in Wenceslas Square listening to Mr. Dubcek. And I said to him, "Well, what do you think of this?" He said, "I think it's fine; sounds good to me." And I was struck by the fact that almost 21 years earlier his predecessor's response had been to send tanks into that same square. And so, as the President says, we're dealing with an entirely different kettle of fish; and this one is more attractive and more realistic and appears to be much more in keeping with some, if not all, of the values that we in the West defend. And there has been, with some few exceptions, a great sense of leadership and the display of reasonableness that we had not come to know in earlier Soviet leaders; and that's encouraging. It's very encouraging that the dialog with President Gorbachev be maintained.

Hostages in Lebanon

Q. ——hostages be freed in Lebanon after appeal there today by Colonel Qadhafi [leader of Libya]? The French Foreign Minister [Roland Dumas] praised high-minded—[*inaudible*]—do you believe—[*inaudible*]—marks a possible change in Libyan-U.S. relations?

The President. If, indeed, a person deserves credit for facilitating the release of people held against their will—anyone in the world—I would certainly say, Fine, give the person credit. I don't know enough about the facts of this release. But a renunciation of terror by evidence that the hostages will be released and that this individual, Colonel Qadhafi, had a part in it—I would say that's very positive. But we've got some major differences with Libya that continue to exist. But look, who am I to argue on this case? If somebody can help free one hostage, any person held against his or her will, give that person credit.

Q. [*Inaudible.*]

The President. I don't know. We've talked about that a little bit today, and I don't know that it has any implications at all as it relates to the American hostages. And you know, John [John Cochran, NBC News], a few weeks ago there was a flurry of understandable excitement about the release of these people. And I had a difficulty figuring out where was all this coming from? What's driving this news flurry? And I still don't know the answer to that. But I just would repeat that good will begets good will, and a manifestation of good will would be the release of these American hostages.

NATO

Q. ——[West German] Foreign Minister Genscher in Ottawa earlier suggested it was time for a redefinition of the transatlantic relationship and also a reduction in NATO. Are you and the President eye to eye on the long-term role for NATO and what comes after it?

The Prime Minister. Well, we're eye to eye on the fact that NATO and the solidarity of NATO has been responsible for preserving the peace in Europe for 50 years, and that the solidarity of NATO has been one of the key influences in bringing about the important treaties that the Soviet Union and the United States have managed to negotiate in the last 4 or 5 years, and that NATO, we believe, is an instrument for political predictability. Its existence is to the advantage both of those of us in the West and the Soviet Union. It is very important that NATO maintain its strength, but perhaps acquire a new dimension as well as the years go by.

But I don't think there's any doubt or any difference between the President and I, and we're the only two North American participants. We both have had troops in Europe since the Second World War, at great costs to both the United States and Canada. And we feel very much a part of Europe, and we want to be involved in that

definition of a new architecture of Europe, as both Canada and the United States have an important role to play there. But principal, or key, to that is the solidarity of the NATO alliance.

The President. And I might add on behalf of the United States that I agree with that. And it is our responsibility to convince the Eastern Europeans, convince a unified Germany—although I hope there won't be much convincing needed—and convince the Soviet Union that the interests of stability are best served by an expanded role for NATO. Obviously, you've got different problems, different military assignments, strategy, or whatever. But here we're talking about a stable Europe, and the best answer for that is to have an expanded role for NATO. And so, I am convinced that that is the way to go, and I'm pleased that the Chancellor of Germany [Helmut Kohl of West Germany] understands that and others are beginning to understand it very, very clearly.

Q. Thank you.

North American Trade Agreement

Q. Any chance that a trilateral trade agreement with Mexico—a trilateral trade agreement for North America——

The President. Let me just say that on this one that there's no trilateral agreement being discussed. I've benefited from the debrief by Prime Minister Mulroney of a meeting that he had with President Salinas of Mexico. I will be meeting with President Salinas of Mexico. I think it is essential that Canada continue to show its extraordinary interest in matters below our border and, in this case, Mexico. And I think it is essential that the United States, interested as we are and concerned as we are about Europe, not neglect our own hemisphere. So, I learned a great deal about what I might expect when President Salinas comes to Washington by listening to Prime Minister Mulroney. But we're not talking about a trilateral agreement. We are talking about good, sound relationships between all three of these countries.

The Prime Minister. President Salinas is struck by the leadership dimensions of the Canada-U.S. free trade agreement, and I think he sees some trading relationships to be in Mexico's direct benefit. As far as Canada's concerned, while aid to developing countries is very important, we think it's even more important that developing nations be given a chance to trade their way to greater prosperity. And a free trade agreement with some of these nations may very well be something that they're going to want to consider with the United States and other trading partners.

The President. Thank you. It's been a great pleasure.

The Prime Minister. Thank you. Wonderful pleasure.

Note: The President's 43d news conference began at 5:22 p.m. in the Founders Club Lounge at the Sky Dome, following his meetings with the Prime Minister and U.S. and Canadian officials. At the conclusion of the news conference, the President was interviewed by Major League Baseball Productions; attended an informal dinner with the Prime Minister; and, with the Prime Minister, threw out the first balls of the opening game between the Toronto Blue Jays and the Texas Rangers. At the conclusion of the game, the President returned to Washington, DC.

Executive Order 12711—Policy Implementation With Respect to Nationals of the People's Republic of China

April 11, 1990

By the authority vested in me as President by the Constitution and laws of the United States of America, the Attorney General and the Secretary of State are hereby ordered to exercise their authority, including that under the Immigration and Nationality Act (8 U.S.C. 1101–1557), as follows:

Section 1. The Attorney General is directed to take any steps necessary to defer until January 1, 1994, the enforced departure of all nationals of the People's Republic of China (PRC) and their dependents who were in the United States on or after June 5, 1989, up to and including the date of this order (hereinafter "such PRC nationals").

on smuggled tapes. And through the power of broadcasting, America became the courier of freedom, returning the eloquent words of these leaders back to their people, returning hope and the promise of liberty to half a dozen lands. That was our vision then; that is our vision today. And by working together, our American vision is fast becoming a reality for the world.

I can tell you many friends in this audience that there has never in my view been a more exciting or challenging time to be President of the United States. The change is mind-boggling—the changes around the world. The bid of freedom is irreversible. It's bound to happen to places denied freedom today. But the importance of your work, the importance of your commitment to open, fair journalism is unparalleled in any time in our history. So, I came here to say thank you—thank you all for what you are doing, thank you for the support you've been able to give this administration. And may God bless you. And most of all, may God bless the United States of America. Thank you all very, very much.

Note: The President spoke at 10:09 a.m. in the Thomas P. Murphy Ballroom of the Georgia World Congress Center. In his remarks, he referred to L. Lowry Mays and Eddie Fritts, joint board chairman and president of the association, respectively. Afterwards, the President examined a scale model of the proposed 1992 Olympic Village in Atlanta.

Remarks at a Fundraising Dinner for Gubernatorial Candidate George Voinovich in Cincinnati, Ohio

April 2, 1990

Thank you, George, very, very much. Thank you for those kind words. And be seated out there. That would mean curling up your feet. [*Laughter*] And thank you all for this very warm welcome.

I'm delighted to be here with two Members—well, three Members of Congress—but with Bill Gradison and Bob McEwen, these two distinguished Members of the Ohio congressional delegation. I'll get to this one in a minute. And let me recognize Cincinnati's next Congressman, Ken Blackwell, who's out here. Ken—right there. This is a State ticket meeting. Tomorrow Ken and I are going to figure out what I can do to assist him in that very important congressional race.

I also want to take a moment tonight to mention a close friend of mine, a friend of so many Republicans here in this room and across the country, and I'm talking about Lee Atwater, our national chairman. During this difficult time—and he went into another hospital today in New York, I'm told—our hearts go out to him and to that wonderful family of his. And I know I speak for all when I just say we wish him our very, very best in this difficult time. And right now there's nothing more important for Lee to do than to get well, and I know that's exactly what he intends to do, given that fighting spirit. Luckily, when it comes to leadership at the RNC [Republican National Committee]—and I think our very able State chairman here will attest to that—Lee is backed up by one of this party's most able politicians, a friend of mine of longstanding, Jeanie Austin [co-chairman of the Republican National Committee], over here, who is with us tonight. And she is doing an outstanding job for the party. The Atwater-Austin ticket at our national level is hard to beat.

And that brings me then to the six members of this strong Ohio State ticket here today: Jim Petro, candidate for State auditor; Senator Paul Pfeiffer, Ohio's next attorney general; your next State treasurer, Judy Brachman; and then Bob Taft, my old friend, the current Hamilton County commissioner, and Ohio's next secretary of state. I don't think he needs too much of a word around Hamilton County here.

And then, of course, the two men at the top of the ticket: Mike DeWine, one of the finest Congressmen on Capitol Hill, who's ready to come back home and be the next Lieutenant Governor of this great State. Mike, we wish you well. And of course, with you, locked in tandem, Ohio's man of the hour, the next Governor of the Buckeye State, George Voinovich. I'm here to support all of them, and you have an outstanding ticket.

Let me diverge just a minute to point out that George Voinovich says I was responsive when he was mayor of Cleveland. I don't know, I guess I want to see him elected—well, put that down as 100 percent—but I'll tell you, when you elect him the next Governor, he will be a fighter for Ohio. I can attest to it. He was mayor of Cleveland, and he was in there every single day working for the interests of Cleveland when they interacted with the Federal Government. So, you'll have a bulldog here in Columbus, Ohio, to fight for the rights of the State, and somebody that I can work with and look forward to working with.

You know, this town—George used the baseball analogy—has seen its share of great teams, from the days of Robinson and Rose, Perez and Concepcion, Joe Morgan, Johnny Bench, right up to today's team of Davis, Larkin, and Browning. Sounds like a law firm—[*laughter*]—but this Republican lineup of Voinovich, DeWine, and Taft ranks right up there with the best of the great Reds teams ever to take the field—or, George, I noticed your plug in there for the Cleveland Indians; the same goes for them. [*Laughter*] And come "game day" this November, it's the Democrats who are going to be praying for rain. [*Laughter*]

It's always good to be back in Ohio. George says native son. I missed by a generation. It was my dad that was the native son, born in Columbus. But it's great to join you here this evening, after what George alluded to, what must be the most expensive hot dogs in the history of the State of Ohio. [*Laughter*] If marvelous Marge Schott [owner of the Cincinnati Reds baseball team] hears about this, you can bet you've seen the end of the dollar hot dog across the street at Riverfront Stadium. [*Laughter*]

You know, I know everyone here has had this day circled on the calendar for a long time. I know how the expectations build and how you feel a sense of excitement in the air. So, let me say I know how you feel right now. I was looking forward to throwing out the first pitch at the Reds' opener, but it didn't work out that way. It's all quiet across at that marvelous Riverfront Stadium. And it's not easy to tune in the Reds-Red Sox exhibition game from Plant City when you're up there on Air Force One.

But the fact is, Opening Day—and a new season—is just 1 week away. And in 1990 a new year and a new decade for the Republican team—it's a whole new ball game, too. It really is. The Ohio Republican Party has never had higher hopes, never had a better shot at putting this State into the Republican column and keeping it there. More and more Ohioans are looking to the GOP to lead us into the nineties, and according to the recent polls I've seen, the GOP is now the majority party for Ohioans under the age of 25. And that bodes well not just for this next election but for this whole decade of the nineties. And every one of you here tonight is a proud member of this tough new Republican team.

This year's especially important because the impact of the 1990 elections will be felt all decade long. In the reapportionment of congressional districts that will take place after that 1990 census, Ohio, in all likelihood, stands to lose two seats. We must make sure when those districts are redrawn that the results are fair and equitable to the Republicans and, thus, to the people of Ohio. No more gerrymandering.

Right now every statewide official in Ohio is a Democrat. The election this November can guarantee three men here tonight—George Voinovich, Bob Taft, Jim Petro—a seat at the table come redistricting time. I'm telling you: This is important nationally. The GOP has made great gains in Ohio, and we don't want to see those gains erased—quite literally—by the masters of gerrymandering.

But I do believe that we have every reason to be confident. The man we're here to send to the statehouse, George Voinovich, is a triple crown winner in Ohio politics: an office holder on the city, county, and State levels—Cuyahoga County auditor and, later, county commissioner; Ohio assistant attorney general; State representative; and Lieutenant Governor. And for the past 10 years, he has been an outstanding mayor of Cleveland, a city where Democrats outnumber us—what is it—eight to one. Eight to one. The plain truth is this: You won't find anyone who knows how Ohio works better than this man, and you won't find anyone who's more ready than George

Voinovich to roll up his sleeves and go to work for the entire State.

I am proud to say, George, that you and I have a lot in common: same first name—[*laughter*]—same charismatic, emotional approach to life—[*laughter*]—same approach to politics, an approach that tells us that decency and democracy are one and the same. George is a man with many qualities I admire—I might say I speak confidently for the Silver Fox on this one—Barbara Bush—[*laughter*]—a man of integrity, a family man, father of three fine kids who'll be with him every step of the way in this campaign for the statehouse. One of them is here. Betsy is here someplace. Betsy, where are you? Whoops. Betsy is not here. All right, she was supposed to be. But there's always been a place for politics in the Voinovich household. George met his wife, Janet, at a political rally. And, George, I hope the hot dogs weren't as expensive as they are here. But you can count on him. You can count on this man, this experienced man, to keep his commitment to serve the public, to conduct himself and his administration with all the honor and integrity every elected official owes the people who put him in office.

But best of all, for all Ohioans, George Voinovich is a man—and I referred to this earlier—who gets things done, a proven leader in every position he's held in more than two decades in Ohio politics. And what happens here is critical for this State and for the Nation because the fact is many of the challenges we face cannot be met by Washington alone. The answers and the action will come at the State and local level. That's true whether the issue is economic growth or education or cracking down on crime and drugs. And that is the key reason that I'm looking for a partner like George Voinovich to work with here in the Ohio statehouse at Columbus.

Take the issue of crime and drugs. We're working hard—we really are—and I think we're beginning to make headway there back at the White House to implement our National Drug Strategy II and to push our tough, no-nonsense anticrime package through the Congress and into the law. We're doing all we can on the Federal level to make life tough on the criminals. We've increased funding for Federal prisons—24,000 new beds this year alone. We've called for tougher laws; stiffer penalties for crimes of violence; more Federal agents and prosecutors and judges; more certainty in sentencing; and for drug kingpins who kill the police officers, the ultimate penalty, the death penalty.

That's what we're doing in Washington. But as a nation, we can't break the deadly grip of drugs—we can't show the criminals that prey on our citizens that we mean business—unless each and every State takes the same strong steps against crime and drugs.

It's the same when the issue is education. The President, every American family, knows how much education means for our kids and for our future. Earlier this afternoon—I wish all of you could have been with me—I toured the General Electric aircraft engines plant and saw that kind of high-tech, precision manufacturing the workers of this State and this country are capable of. Felt the pride—you could feel it as you talked to them along the line—felt the pride that they feel. That's where they build the engines, you know, for Air Force One; and it's where they're building engines in great demand in the international aircraft industry. And I can tell you, if American industry is going to keep its competitive edge in the future, American schools have got to be first-class. And education is the key.

And the States are central to real education reform. And that is the reason, as most of you know, behind last year's education summit with the Nation's Governors; and it's the guiding force behind the goals the Governors and I have agreed on, the education goals we want every student and every school to meet.

We all know those six goals: American high school students first in the world in math and science achievement by the year 2000. Raising the graduation rate to 90 percent or better. In order to make sure those diplomas mean something, we must assess our kids' progress at the crucial 4th, 8th, and then 12th grade levels. Fourth, of course, excellence in education means every American child ready to learn the day they walk into the classroom; and that's why we've stepped up funding requests for

Head Start so much. Every American adult literate. Every American school drug-free.

And I know I can count on Governor Voinovich to join me in leading a crusade for excellence in our schools, to prepare every child in Ohio, every kid across this nation, to take his place in the work force of the 21st century.

Whatever the issue, whether it's keeping our streets safe, our government sound, or preparing our kids or promoting economic growth, I need friends and allies to work with me, allies like George Voinovich, Mike DeWine, Bob Taft, and the other fine members of this Ohio Republican team.

Tonight, I really came out here to ask you to go the extra mile. I thank you for your support. And I ask each and every one of you to recognize that you really are caught up in a national crusade here, because if we can win in Ohio with this clean sweep in the fall of 1990, it sets a fantastic tone for what lies ahead in the remaining 10 years of this decade. So, I'm out here to support enthusiastically and without reservation this topnotch team, to make 1990 a winning season and the 1990's a Republican decade.

Let me just say in closing, I like being President of the United States. I don't believe anybody who's had the Presidency, any of the 40 who have preceded me, could claim to have been President at a more fascinating time in terms of international affairs. And George referred to the changes that are taking place around the world, and they are fantastic. And I urge you not to just concentrate on the marvelous change in Eastern Europe, where we're trying very much to help Poland and to help Hungary and Czechoslovakia and so many other countries. But don't forget our own hemisphere. Don't forget what's happening in terms of democracy south of this border. I talked to President Aylwin of Chile and [President] Carlos Salinas of Mexico, who have enjoyed a democracy, but with whom we're working very closely. And the change in Panama and the change in Nicaragua is, to me, every bit as exciting as what's going on in Eastern Europe.

So, I am President at a fascinating time. We are Republicans at a fascinating time. And as exciting as the international environment is, I do not want to forget, and I will not, the domestic agenda. And that's what brought me here to Ohio, because I believe in this team that you see sitting here. We have the very best anywhere across the country.

Thank you very, very much for your support. And God bless you all.

Note: The President spoke at 5:50 p.m. in the Presidential Ballroom of the Westin Hotel. Following his remarks, he attended a reception for major campaign donors. Earlier in the afternoon, the President attended a briefing and toured the facilities at the General Electric aircraft engine plant.

Statement by Press Secretary Fitzwater on Iraq's Threat To Use Chemical Weapons

April 3, 1990

We have now had the opportunity to review the text of the address given yesterday by Iraqi President Saddam Hussein. The President finds the statements about Iraq's chemical weapons capability and his threatening Israel to be particularly deplorable and irresponsible. Such statements can only exacerbate tensions and further destabilize this already volatile region. What is needed in the Middle East is not inflammatory rhetoric but concrete steps to rid the region of chemical and other unconventional weapons and to move toward peace.

Remarks at a Tree Planting Ceremony in Indianapolis, Indiana

April 3, 1990

Well, thank you all very much. And Senator Lugar and Senator Coats; the Governor of the State, Gov. Evan Bayh; Mayor Hudnut; Director Strong; and distinguished guests and all of you ladies and gentlemen freezing out there on this spring day, I'm just delighted to be here, "back home in Indiana" again, and, as the banner says, to plant "Trees for Tomorrow" that will benefit our nation and its kids.

over, and I think it's going to do a lot of good. It's titled, "Growing Up Drug Free: A Parent's Guide to Prevention," published by the Secretary's Department. And it's written for parents who are concerned about their kids and illustrated by a number of promising young artists who are with us today. And this guidebook is being released because we all care about kids, about keeping their futures bright with promise and keeping them free of the enslavement of drugs.

And you, like all Americans, understand that our children are our best and brightest hope. But you don't get a pep course before becoming a parent, and kids don't come with owner's manuals. They have minds and problems of their own. So, the best thing parents can do is talk to them; just as important, listen to them; and know the facts about drugs and the warning signs that a kid's in trouble. And above all, we parents can make sure that our actions are as good as our words. Where illegal drugs and alcohol abuse are concerned, for too long we have condoned what we should have condemned. And that's what this book is about: knowing when and how to talk to your kids, when to listen, where to draw the line, and when to get help.

This guidebook sets forth simple steps that parents can take for their kids from preschool to high school. It talks about how to make your values and your high expectations known to your kids, how to remind the children that drugs kill dreams and destroy lives, how to make rules and then stick with them. And it emphasizes the importance of telling your kids when they're doing right, because every time you do, every time you help to cultivate character, you're providing another reason not to do drugs.

Schools, churches, synagogues, community groups, law enforcement—all can help us turn the tide on drug and alcohol abuse, but none can take a parent's place. Drug education must begin at home and in the neighborhood long before the classroom.

I want to thank the young people here today, those up here and some that I see scattered out there, and thank those who did the art work that they've done for this book and for the example that you all are setting for other kids all across the country. And I want to urge parents everywhere to read—hold this for me, would you?—[*laughter*]—to read "Growing Up Drug Free." With open minds and listening hearts, parents need to hear what their kids have to say. So, show your kids how ready you are just to listen. And it's often surprising how much they want to do the right thing.

And now I'd like to take this one, and one of the first copies of this parent's handbook to Ann Lynch, the president of the National PTA. Ann, it's good to see you. And that one is for you, you lucky duck.

Ms. Lynch. Thank you. I am so pleased. Thank you. On behalf of the parents, I thank you. Now I have to figure out what to do with it.

The President. Thank you all very much.

Note: The President spoke at 3:05 p.m. in Room 450 of the Old Executive Office Building.

Statement by Press Secretary Fitzwater on the Nicaraguan Presidential Elections

February 26, 1990

President Bush called President-elect Chamorro of Nicaragua to congratulate her on her election victory. President Bush noted that this is a great day for the people of Nicaragua. President Bush said the election reinforces the Nicaraguan people's commitment to the peace process and towards building a free and open society.

In addition, President Bush called Prime Minister Thatcher [of the United Kingdom], President Mitterrand [of France], and President Salinas [of Mexico] to thank them for the support they had exhibited over the past months for the return to a democratic process in Nicaragua. Prime Minister Mulroney [of Canada] called President Bush to discuss the Nicaraguan election and to express his support on behalf of the transfer to democratic rule.

The scientific expertise of laboratories like Livermore will also serve the national interest in other areas, problems like economic competitiveness, education, energy, space exploration, waste cleanup, sound environmental practices. These will be enormously important challenges in the future, challenges that your skills, your talents—those flashes of insight matched with long hours of labor—will help us meet squarely and well. I'm confident that the Livermore Laboratories will be a crucial part of our ability to meet the challenges of the new decade and the new century.

So, I came out here to learn, and I also came out here to say thank you very much. I have a funny feeling that because of the nature of the work, it is somewhat underappreciated by the average man on the street in our country. But I want to assure you of my support. I want to assure you, as President, of my gratitude for the dedication that you bring and, really, the service to country that exemplifies the best in America.

Thank you all very much for what you're doing. Thank you.

Note: The President spoke at 10:35 a.m. in the Laboratory's auditorium. In his opening remarks, he referred to John H. Nuckolls, Director of the Lawrence Livermore National Laboratory, and Lowell L. Woods, the facility's special studies programs leader. Prior to his remarks, the President was briefed on the "Brilliant Pebbles" project and toured the weapons vault.

Remarks and a Question-and-Answer Session at a Luncheon Hosted by the Commonwealth Club in San Francisco, California

February 7, 1990

The President. Thank you, Dr. Fink. Modesty may not be his long suit, but I like the introduction. [*Laughter*] And very candidly, I like the pride he takes in his institution, and he gave me a good lecture up here as to how I should be supportive of these smaller and independent colleges. And it struck home to me, I'll tell you.

Governor Deukmejian, I'm glad to be with you, sir. And our Commonwealth Club president, Joseph Perrelli, thank you for your hospitality. And let me just single out our former Secretary of State, George Shultz. I'm honored to see him here and be with him.

I'm going to get in real trouble here, but another San Franciscan who has served his country at a very high level is now giving of his time to work with me on the prestigious Science Advisory Committee, and I'm talking about your own and my friend, David Packard. I'm delighted he's here.

And just two more. I'm pleased to see the mayor of San Francisco here—Mayor [Art] Agnos—delighted to see him. And of course, another who I read in the paper had re-retired, or was about to re-retire, and I'm talking to the former head of the World Bank, Tom Clausen, an old friend, who I'm delighted to see him here.

So, I feel encompassed by friends and delighted to be back for, I think it is, my seventh—Joe, seventh?—seventh appearance before this prestigious group. A few minutes ago, I asked a 49'er fan what he thought was the turning point in the Super Bowl. [*Laughter*] He said, the national anthem. [*Laughter*]

Of course not all the recent memories—as Art knows—in the Bay area have been pleasant ones. I'm sure you remember the last time I was here, after this city suffered tragedy. And I'm talking about a clutter of car wrecks and a flattened freeway and a terrible black cloud rising from the Marina district. And I know that some damage remains, and certainly some heartache and some hardship. But today I've sensed and felt something else: renewal. The people of the Bay area have stood up and dusted themselves off and are rebuilding because you came together. And San Francisco will be as beautiful and vital as ever. So, I think it's fair to say, from having been here for about 45 minutes, San Francisco is back, and we can understand that. [*Laughter*]

But I've come here today to California for another reason: to give you a no-nonsense—you hardnosed business men and women that you are—a straightforward and hopeful message about the national security of our country. Yesterday at Fort Irwin, I also

thanked our men and women in uniform—not just because they keep America safe and free. But I came to thank them because they help to make possible the wonderful changes that are sweeping the world. I wish every man and woman here could have been with me as I talked to the young troops out there in the desert. It's very clear why every one of our Joint Chiefs keep telling me our services all have the finest, most dedicated young men and women to ever serve in the uniform of the United States.

And as the threats to our security change, so, too, must our defense strategy. In 1986 defense expenditures consumed 6.3 percent of our gross national product. As you know, I just submitted my 1991 budget to Congress, which holds down defense spending for the fifth year in a row, down to just above 5 percent of gross national product. I'm submitting this budget at a time when the postwar world that we have known, the world that began in 1945, is changing before our very eyes. So, to understand then where we're going, let me first review where we've been and where I think we are today.

The free world's first generation of postwar leaders had the cautionary example of their predecessors. They remembered that the Great War, the war to end all wars, was followed by chaos and conflict. They remembered that visionary statesmen after the First World War had tried to limit large navies, even outlawed war itself. But soon these great hopes faded in the face of unchecked aggression, and no pact could prevent World War II.

So, by 1945 our leaders had acquired a realism, a realism born of bloody experience, a pragmatism born of a sober appraisal of the world as it was. And from Harry Truman to Ronald Reagan, our strength became the world's shield; our ideals of freedom and democracy, the world's hope. We paid dearly for the defense of liberty with our national wealth and with many of our youngest and bravest.

And so, over the past 40 years, our leaders continued to provide for war even as they sought peace. It was during the Truman administration, in this very city, that men and women of great vision and high ideals came from around the world to create an assembly of nations. And so, it was in San Francisco, 45 years ago, that the United Nations was born. Then, as now, the United States strove to balance its role as peacekeeper with that of peacemaker. We helped create the United Nations and NATO [North Atlantic Treaty Organization]. And we encouraged Soviet change even as we thwarted Soviet expansion.

Those who crafted this new policy had a name for it. They called it containment and predicted that if we blocked the easy path of expansion, the Soviet Union would one day have to confront the contradictions of its inhumane, illogical system. The purpose of containment was not to defeat or humiliate the Soviets. The purpose was to preserve and extend liberty. The hope was someday to see, as George Kennan put it in 1947, "the gradual mellowing of Soviet power." It took nearly a half a century to vindicate this strategy, but we can now see the results: today the Cold War is in retreat. That is good news, for no sane man or woman is nostalgic for the Cold War.

We're inspired by this revolution of 1989. heartened, for example, to see a man of letters and conscience in Prague move from prison to the Presidential palace. We are heartened to see the Berlin Wall fall, setting off a shockwave that upended a tyrant in Romania. And we're grateful for something more. Now, because of our strength and that of our allies, now thanks to the march of freedom and democracy in Eastern Europe, and even in the Soviet Union itself, now the prospects for an enduring peace are greater than ever before. We can now envision a new destiny for the nations of the continent: that of a Europe truly whole and free.

We are taking the first steps across a bridge begun by others long ago. And it's a bridge that can lead us from seemingly endless conflict to the promise of a lasting peace. But no matter how great the promise, we must be certain that the bridge is secure. As President, every morning I receive an intelligence briefing. And I receive the best information available to any world leader today. Yet the morning news is often overtaken by the news that very same evening. And the world is moving too fast to forecast with absolute certainty what will

happen next. Our challenge is to manage this period of transition from the world of today to the world of tomorrow and safeguard the security of America in the process. When it comes to the security of this country, I would rather be called cautious than I would be called reckless. Our pursuit of this promising future must start with an understanding of today's realities.

Take, for example, our most recent proposal, warmly received by our allies and President Gorbachev. I proposed reducing the troop levels on both sides in central and eastern Europe to 195,000 troops. That balance, that balance encourages the less threatening future we envision, and it holds great promise. But right now, right now, the Soviets still have more than 560,000 men under arms in central Europe. On the issue of strategic weapons, we've made progress in the START [strategic arms reduction talks] negotiations. And again, I'd like to salute George Shultz for his very important part in this. And we now hope to slash dramatically the number of strategic weapons on both sides. It is these important reductions that Secretary [of State] Baker is seeking this very day in Moscow. That's the future we envision, and it, too, holds great promise. But let us not forget that right now the Soviets still have more than 10,000 strategic weapons. They are modernizing them, they have developed two new mobile ICBM's, and their spending on strategic defense is comparable to their spending on strategic offensive forces.

The President of the United States is the Commander in Chief, bound by the Constitution to defend and protect the United States of America. Now, some would have me predicate the defense of our people on promising but as yet unfulfilled hopes for the future. I will not do that. I am determined to seek with the Soviets the collateral to implement a new peace. In international terms, collateral means soldiers discharged, tanks dismantled, nuclear missiles demolished, and chemical weapons banned from the face of the Earth. Some see our measured approach as endangering the process of change. I see our approach as essential to change, essential to the security of this nation, and as the only way to a lasting peace. We have shown that American resolve can help further Soviet reform. And we've shown that American strength is the catalyst for arms control. And we've shown that the idea called America can inspire change. And now we must not let impatience, born of euphoria, jeopardize all that we hope to achieve in the future.

First, as Americans have always believed, our foremost goal is to prevent another world war. To do so, we will still need to remain militarily engaged. European security, stability, and freedom, so tied to our own, requires an American presence. Western Europeans all want us to stay there—every single country—want us to avoid pulling back into an uninvolved isolation. I have the feeling that when the dust settles, the new democracies of eastern Europe will feel exactly the same way. We must remain in Europe as long as we are needed and wanted. And the prospect of global peace, therefore, depends on an American forward presence.

Second, we will, of course, continue to reduce the likelihood of nuclear war. And that's why I will vigorously pursue the START talks with the Soviet Union. But arms control and strategic modernization are not competing strategies. Rather, they can work together to make the world a safer place. Just this morning, I went out and visited Lawrence Livermore Labs and met those visionary men and women who strive to make a nuclear strike on our country, whether from a nuclear superpower or some renegade nation or terrorist group, even more unlikely than it is today. And if the technology I have seen today proves feasible—and it looks very promising—no aggressor could be confident of the success of a ballistic missile attack. And that's what deterrence is all about.

And let's be clear: This purely defensive concept doesn't threaten a single person anywhere in the world, the life of a single person anywhere in the world. God forbid, if it ever had to be used, it would be used against missiles, not against people. When some complain of the cost of developing such technologies, they should first consider the cost of not doing all we can to deter conflict and protect the cities and the citizens of America. And that's why I will seek to persuade the Soviets, through our defense-in-space talks, that, in fact, greater re-

liance on strategic defenses will contribute to a safer world.

Now let me now tell you something about the strategy behind our 1991 defense budget. First, new threats are emerging beyond the traditional East-West antagonism of the last 45 years. These contingencies must loom larger in our defense planning. Remember the threats of Libyan and Iranian terrorism. And remember the liberation of Grenada and Panama. And remember the dedication of our American servicemen on duty in the Persian Gulf 2 years ago, safeguarding not only the flow of oil—safeguarding the flow of oil to the industrial democracies—but an action also welcomed by many small nations over there who were afraid that the Iran-Iraq war would adversely affect their own freedom.

And remember, too, that there are more than 15 countries in the world that will have developed ballistic missiles by the end of the decade—15 countries, many with chemical and biological capabilities. Nuclear weapons capabilities are proliferating, much to my regret and the regret of everybody here. And inevitably, high-tech weapons will fall into the hands of those whose hatred of America and contempt for civilized norms is well-known. We will continue to work hard to prevent this dangerous proliferation. But one thing is certain: We must be ready for its consequences. And we will be ready.

Then there are the narco-gangsters that concern us all, already a threat to our national health and spirit. Now they are taking on the pretensions of a geopolitical force—whole new force to effect change—and they must be dealt with as such by our military: in the air, on the land, and on the seas.

Clearly, in the future, we will need to be able to thwart aggression: repel a missile or protect a sealane or stop a drug lord. We will need forces adaptable to conditions everywhere. And we will need agility, readiness, sustainability. We will need speed and stealth. And we will need leadership.

In short, we must continue to deter both a global war and limited conflicts in new conditions. And for this reason, we doubly need to continue the modernization of our forces. I pray that it will not be my sad duty to commit American fighting men again into combat. But if I do, on my watch, the lives of American fighting men will not be shortchanged.

As I mentioned, just yesterday I visited the National Training Center at Fort Irwin, near Barstow, where our fighting forces prepare for action. It was at this very base that we trained many of our troops who fought with such distinction in Panama. And they were courageous. But being prepared is also the best way to ensure that wars are prevented. And after seeing our men and women again and talking with them, they are indeed up to the challenges of the future.

You know, I once read that Khrushchev once spoke to the Commonwealth Club for 3 hours. [*Laughter*] Perhaps he began this speech with these words: "Let me make just a few brief observations before taking your questions." [*Laughter*]

So, I will get to my final concern: how all this change in our defense budget affects us at home. Many speak of the peace dividend. Few discuss the short-term cost of peace. There will be costs as we cross the bridge to a better future—for dislocated industries and workers, for communities—painful personal adjustments to be made. But America has always been willing to pay the price of peace. I know that some of the bases that have been proposed for cutbacks are in this area, just as many of them are in my home State of Texas. But let me state right here and now: there have been no politics in these proposals. Some talk about bases in Democratic districts here. Well, they're also in the same State as a great Republican Governor over here. I ask Congress to join me in a spirit of fairness. Longstanding critics of defense spending should not turn around and block the closing of a base in their home district. There's something just a little bit ironic about certain Members of Congress whose philosophy seems to be: make deep cuts, but be sure to cut in somebody else's State or somebody else's district. And we can't have that anymore. This is too important. I can't accept that. The taxpayers deserve better, and so do those affected by our decisions. So let me assure you: If a base closes, it doesn't close Federal concern and commitment.

You know civilians who are laid off will receive top priority for placement in other DOD [Department of Defense] positions. The Homeowner's Assistance Program will protect military and civilian personnel from falling real estate prices. And the Office of Economic Adjustment will work with communities to develop powerful new economic assets, new ways to use old bases. The Bible speaks of beating swords into plowshares. We're transforming military runways into municipal airports, and military bases into industrial parks and community colleges, and missile hangars into factories.

I don't know how the pruning hook business is going out there, but we may go back into that too, cast them into pruning hooks. You know, I know the American people will support these measures for a continued strong defense. My travels around this country tell me that. But to have the means to negotiate reductions and ensure peace, I will need the support, the cooperation, and consultation of Congress. We can now envision a time when the world is more secure than ever; when all the competitive instincts of modern man will be diverted to commerce, even to football.

You know, I started joking about the 49'ers winning the Super Bowl during the national anthem. But it's not how many passes Joe Montana completed, it's that he knew better than to rest on his laurels at the beginning of the fourth quarter. So, so should we. I will work with Congress to build a bridge to a more secure world. And if we work together, then peace itself will be the greatest dividend of all.

Thank you for inviting me to San Francisco. And God bless you all.

Strategic Defense Initiative

Q. Having reviewed SDI at Livermore Lab today, do you support moving ahead with the project?

The President. Yes, I do. And our budget calls for that. And again, I would remind the critics that it is defensive; that the science and technology from it will benefit not just this concept of a reasonably priced way of intercepting somebody else's missile, whether it's from a major power or from some renegade hand, but that the science will benefit, I believe, the environment. I believe it has enormous potential for other uses. I feel more strongly about that than when I went to Livermore.

Defense Spending

Q. Will the expected troop reductions bring about a savings that can be used to offset the increased cost in strategic arms?

The President. Yes, and I hope that there will not be a greatly increased cost in strategic arms. The Soviets have modernized. They've modernized their systems, and we have not yet. But I would hope that the resulting reductions in the strategic arms, which I am pledged to and which I will work for, will have beneficial effect on and will result in savings.

You see, I am convinced that if politics of international change are handled correctly and if things go more forward, we will eventually have far lower levels of spending. But I've spelled out for you here why I think that should be approached in a very prudent manner.

Trade and Competitiveness

Q. With the recent events in Eastern Europe, do you think we should now again prepare for a world economic struggle rather than be preparing unnecessarily for a military struggle?

The President. Well, I wouldn't necessarily shift priorities. I've told you the priority I place on defense. But when it comes to competitiveness of the United States, we should be struggling with that on the front burner right now. And I think we are. And that's one of the reasons I increased dramatically R&D spending in our budget. It's one of the inevitable byproducts of a better education system. It's why we're putting more emphasis on math and science. It's why I'm imposing on great scientists like David Packard and others to give us the advice on how we can become more competitive. It's why my trade negotiator, Carla Hills [U.S. Trade Representative], and our Secretary of Commerce [Robert A. Mosbacher] are doing their level best to convince people that if we are going to have free trade that has to be fair trade.

And so, this competition on the economic front is big. It's going to get even bigger, in my view. And we've got an enormous job to do—not just the Federal Government. We can't do this. Many businesses have already

moved into much more—in the sense of quality product—moved much more into the sense of automation and modernization. So, it is a national goal that we be more competitive, but it can't wait until we get our defense program in line. It's right now. It's urgent.

And let me just throw in one, Joe, on the success of the Uruguay trade round, for those who are a little more technically oriented than some. The success of this Uruguay trade round is very, very important to our ability to enhance the rest of the world and ourselves by free trade. But we've got some big barriers out there. We've got some problems we have to overcome.

Budget Deficit

Q. Can you pledge that a certain amount of dollars from armament reduction be transferred as a reduction in the debt?

The President. No, I can't pledge that, but I am pledged to get the deficit down in accordance with the Gramm-Rudman targets. We will have that if we get our way with Congress, which doesn't exactly do things the way I want, I've found out. [*Laughter*] But if we get that done, I stated in my State of the Union Message that that should be an objective and to move right into it, the minute we are in balance, which would be in 3 years. Now, I expect there will be a lot of pressure on. You hear pressure today on what is referred to alluring as a "peace dividend." And it appeals to me. There are things that I'd love to be able to say: We can put a little more in this research, or we can help this homeless person a little more, or whatever it is. The pressures will be on, but I think that it would be a very good thing to do because as a grandparent of 12 I must confess, like a lot of people here, you feel that we are burdening the generations to come with a debt that does nothing but click off at the beginning of each year an enormously high and even higher rate of interest that we're pledged—interest account that we're pledged to pay on the national debt. So, yes, as I said in the State of the Union, that's what I want to do.

Defense Policy

Q. If the Soviet Union and others in the Warsaw Pact substantially scale back their military commitment, doesn't the U.S. run the risk of moving in the opposite direction of the world? Are we prepared to stand alone?

The President. No, because I think as I mentioned to you earlier—and this is the truth—our allies want us involved. They don't want to see us decouple or delink from Europe. They see the changes and welcome them. All the allied leaders—and I talk to the leaders of NATO [North Atlantic Treaty Organization] on a fairly regular basis—they see and welcome the changes, but they do not want to see the United States pull back into what would be perceived worldwide as some kind of a neo-isolationist decoupling.

And I am not suggesting that we can't save money; indeed, we will. If our proposal—the proposal that I put forward—is accepted by the Soviets and we negotiate out all the details and get a CFE, conventional force agreement, as we are proposing. I think we will see substantial savings that are made by the—what do you call it?—suddenly gone blank—in terms of when you bring a guy back and he no longer is in the army. [*Laughter*] But it's not just transferring: it's a question of having fewer troops on both sides. And that will inevitably result in some savings.

So, we're aware that there's a chance to save, but it is not that we are going to be swimming against the tide with our European allies. And as I said in the speech—and I recognize his question—didn't indicate the guy that asked the question was asleep, he probably wrote the question before the speech, I hope. [*Laughter*] But what I also said is that I hope and believe that many of the new fledgling democracies in Eastern Europe are going to welcome a stabilizing presence on the part of the United States. Now, some will say that's sacrificing. And I say, no, it is in our interest because we provide a certain stability that wouldn't be there if we, the United States, weren't there.

Conservation

Q. Do you see the freedom of the Communist country as a threat to the globe? That is, if they all want the comforts we have, will we use up the resources of our Earth at an even greater rate?

The President. No. I think there's an environmental awareness in the world today that is encouraging. I will readily concede there are some in what is known as the Third World—I'm not thinking so much as the evolution of Eastern Europe into the arms of democracy—but I think there's a feeling in some Third World countries: Don't you big guys from the United States who have raped, pillaged, and plundered the environment now come and tell us what we can't do. We understand that, but we've got to work with them and share our tremendously advanced technology, existing technology, as we work to find even greater technological breakthroughs to protect the environment.

But I don't think you're going to necessarily see that is because of the evolution of Iron Curtain countries into growing—hopefully, growing democracies. I think there's an awareness now in Europe about the need to have sound international environmental practice based on science—not on myth but on science.

German Reunification

Q. As Eastern Europe and the U.S.S.R. progress toward democracy, do you foresee any potential military alliances being formed that could threaten the free world, such as a united Germany and Japan?

The President. No, I don't. And I think everybody that's interested in foreign affairs, I'm sure, has an opinion one way or another as to what happens on the reunification of Germany. But I think that can be—well, let me recite, just as background, the U.S. position, which is self-determination—and this is the NATO position—self-determination. And then when it comes to borders, I believe Helsinki says no alteration in borders without agreement of the parties. So, that gives you a rather stable framework.

Now, you can read every day about the rapidity of change and what might happen in terms of German reunification. But I think it can be managed in such a way that it will not be a threat to Western Europe or to what was termed in the question, I think, the free world. And when I hear both West German Foreign Minister Mr. Genscher and West German Chancellor Kohl talking about a Germany that remains tied into NATO in some way—maybe not a NATO in exactly the same form it is—but that's encouraging. That's encouraging.

Soviet Role in the Middle East

Q. In the past, smaller countries used to play the U.S. versus the U.S.S.R. to get military and economic aid. Now that relations have improved with the U.S.S.R., and if we can anticipate continued improvement, what are the chances of the U.S. and the U.S.S.R. working together to solve some of the world's problems, such as the Middle East?

The President. Better, far better. And I think there's certain things that the Soviet Union could do that would facilitate their role as a catalyst for peace in the Middle East. One of them would be to assist more, through transportation—direct flights—for Soviet Jews wishing to leave the Soviet Union to go to Israel. I think that would send a sign that their interest in the Middle East is not just on the side of—what heretofore has been the side of the more radical states in the area. So, they can do something like that. I'd like to see them normalize diplomatic relations with the State of Israel. I think that would be helpful. But I would think that as the Soviet Union evolves in a more democratic fashion that some of the concerns we've had in the past will be lessened.

So, I wouldn't say that at some point they wouldn't have a useful role. I've cited two areas where I think they can have a useful role in building credibility not just with the State of Israel but with other states as well. So, let's hope that they can do something.

Soviet Reforms

Q. How can we help Mr. Gorbachev in his quest for a unification of his country, in demonstration of his country?

The President. I think we can avoid doing dumb things. [*Laughter*] And that's my cautious approach. You know, he's facing some enormously difficult internal problems. And you may have noted that I have been—hopefully on behalf of most the people in our country—supporting *perestroika.* When for a few months into our Presidency—mine—why, people wondered: What does he really care? Does he understand these changes? Does he really mean it when he

says, I support *perestroika*? I do, and *glasnost*, the openness concept, as well.

But in the last press conference or so—a couple of them, maybe—I referred to support for Gorbachev. And I have felt that he has handled some extraordinarily complicated internal problems, problems inside the Soviet Union, with a certain restraint and finesse that I think demonstrates a real commitment to peaceful change. The last thing I think any United States citizen needs to do when you have the Central Committee meeting is to try to fine-tune it from San Francisco or Washington as to how they ought to conduct themselves. [*Laughter*] So, I want to be very careful about picking winners and losers or saying how they ought to do things.

But I do think that, generally speaking, it is in our interest to support *perestroika*. And I will say again: I think Mr. Gorbachev has shown a considerable restraint. And frankly, the dealings that I've had with him here, and then on the sidelines when George [George Shultz, former Secretary of State] and President Reagan were dealing with him, is that he's a man who you can talk to; he's quite open in his negotiations. He damn sure will tell you if he doesn't agree with you. [*Laughter*] I mean, you're not under any doubt about that. [*Laughter*] But it's a new approach. I mean, it's very different than dealing with some of the previous Soviet leaders.

So, I'm not here to anoint or try to shape the deliberations of the Central Committee proceedings in the Soviet Union—this very day, or that will commence again tomorrow, maybe. But I do think that there's an awful lot to be hopeful about there because I find we can talk quite openly. And I'm looking forward to a summit meeting. I don't know why all meetings have to be called summits. [*Laughter*] We tried to call the Malta meetings something else, and it lasted for about 2 days. [*Laughter*] And I mean it, because I think summit projects the idea that you have to have some massive breakthrough, or else you disappoint the rest of the world. And I've changed my thinking on this. I think maybe communications where you don't have to do that is better. And that's why I was on the phone with him the other day on a couple of matters. So, I'm optimistic about our dealings with him, but I cannot predict and nor can any of you, with any degree of accuracy, exactly what's going to happen inside the Soviet Union.

Chairman Gorbachev of the Soviet Union

Q. Please comment on Mikhail Gorbachev's nomination for the Nobel Peace Prize.

The President. I'd hate to say I wasn't aware of it, but I wasn't aware of it. [*Laughter*] And I don't follow those proceedings too closely. [*Laughter*] But I've told you I would salute the man for his adherence to peaceful change in Eastern Europe. I mean that, I think, is dramatic and, I think, worthy of a positive note. But far be it for me to try to influence the gurus that decide who wins a Nobel Prize. [*Laughter*]

War on Drugs

Q. As far as the issue of drug trafficking goes and the world drug problem, could you please address the issue of whether or not military forces will be used in a more direct way in the enforcement of international drug traffic?

The President. No, not in a more direct way. Military forces have been used over the years. The arrest power rests with the Coast Guard. The coastguardsmen can be aboard naval vessels. But we have an interdiction network that is manned and operated by our military. But what the question implies to me at least, of a quantum leap forward in terms of this—I don't know.

One of the things I have felt is that sometimes the military says, Well, we can't undertake this mission or that because of readiness. It is my view that sometimes an exercise that results in the interdiction of aircraft coming into this country on an illegal mission is a good mission and should not be detracted from the readiness. So, I think that we're always looking at the mission of the military in this regard, but I don't want to give the military more arrest powers. I think we've got a very proper justice system in this country. I do think that they can be extraordinarily useful, and have been, in interdiction and in working with countries that want their cooperation.

Q. Are you prepared to use troops in the United States to enforce the laws against

drug consumption, to cut down on the demand which entices the supply?

The President. Well, not to cut down on the demand. I don't think that's a function of the U.S. military. We have police powers in this country; they are properly defined; and that should not, in my view, be altered.

Q. There are many questions that ask why do you find it necessary——

The President. The demand—let me be sure—the demand side really relates also to education, to people: This is bad; you should not do this. We've condoned things in this country that we should have condemned long ago in terms of narcotics.

Drug Summit in Cartagena, Colombia

Q. There are several questions that have asked why do you find it necessary to physically go to Colombia?

The President. Well, let me explain that to you because I think it's on the minds of a lot of people. I went to a barbecue in Beeville, Texas—[*laughter*]—and there were 800 people there—not quite this big a mob. And I thought, well, these people are doing this to welcome me back to south Texas. And I decided I would shake hands with everybody there. We politicians are all alike, you know—go out there and shake hands. Art, you know how that is. [*Laughter*] So, out I went. And I think about 15 percent of them at that point said, Hey, you know, we're hoping you don't do this.

Let me explain it to you. In the first place, I am not going to do something stupid or macho. [*Laughter*] I love—the guy they used to call timid is now "macho man" or something. [*Laughter*] It has nothing to do with that; it doesn't have anything to do with personal. It has a lot to do with the support for a courageous leader in Colombia.

And I believe, and I think this goes for those who have the responsibility of protecting any President of the United States, that the security of the President can be protected on this naval base, a place where the man has his own home that is cut off from the mainland except by one entrance.

And I don't want to send a signal on your behalf or my behalf that the United States says to this great President, Look, our President can't come there, even though we think the security can be guaranteed; and thus push him, perhaps inadvertently, to make a kind of deal that he has resisted making with these narco traffickers.

I talked to a foreign leader the other day from South America, and he agrees with this rationale. So, it isn't whimsical or a desire to be in harm's way. I think we've got good arrangements, and I think it is good sound antinarcotic policy to support President Barco [of Colombia], who is doing an awful lot to protect our kids from the scourge of narcotics.

War on Drugs

Q. There are claims that the removal of General Ortega will improve our efforts at interdicting international drug trafficking. Do you agree with this?

The President. Yes, I do, because there's some symbolism there. And just as I think the extradition of Carlos Lehder and the Colombians' pursuit of the drug lord that was recently killed down there in battle in Colombia—those things help, because if they see major participants, traffickers going about their life without threat, why, I just think it sends the wrong signal.

Mexico-U.S. Relations

Q. Since the Panama invasion, have our relations with Mexico improved?

The President. Yes. And I'll tell you one thing that was good. Our Secretary of the Treasury [Nicholas F. Brady] went down there—I don't know whether you saw it on Sunday—and signed with President Salinas, the very fine young President of Mexico, an agreement on Third World debt. I think that was a good sign.

Look, I think I know enough about this hemisphere to know that anytime a United States force is used in Central America, or wherever else in this hemisphere, there are going to be concerns built on a foundation of history that concern our friends and those who are less friendly to us in this hemisphere. But I've explained as best I can, through letter and by phone, to these leaders why we acted the way we did.

I will tell you that I am convinced not only is the relationship with Mexico good and is it strong, I see nothing but making it even better. And I'm going to work at that because Mexico—we must not take for granted the fact that we have marvelously

strong allies to our north and friends to our south. Sometimes, blessed as we are by our own geography, we forget that. And there could be an inclination to neglect our neighbors, and I don't want to do that. And I can't tell you that there has been no strains, but I think some of what you've been reading about South American reaction has been overstated. And I base that on some contact with the individual leaders in this hemisphere. But it's an exciting hemisphere. This hemisphere can be, in the next couple of years, totally democratic. We must not neglect it.

So, if somebody disagrees with me on Panama and South America or Central America, that just redoubles my desire to make it right, make them understand that the President of the United States is going to protect American life, make them understand that 92 percent of the people in Panama support what I did, make them understand that democracy now has a chance, and make them understand that we're going to assist that democracy. Once I do a better job of that, I think any last concerns about what happened there will be laid to rest.

General Noriega of Panama

Q. Why are we wasting time with Noriega when he cannot possibly receive a constitutionally fair trial without compromising national security? Why not send him to exile in a country willing to take him? [*Laughter*]

The President. Well, the line is not very long for one thing. And secondly—[*laughter*]—secondly, look, I would just disagree with the person writing the question that the given is he can't get a fair trial. Of course he can get a fair trial. And we've seen that over and over again in highly controversial cases. And so, our justice system that bends over backwards to be fair will, indeed, acquit itself well in this case.

Q. Is your administration——

The President. And should. The man's entitled to a fair trial.

U.S. Support of Foreign Governments

Q. Is your administration prepared to accept governments you dislike, even if they carry their public support, such as the Sandinistas in Nicaragua?

The President. Please define acceptance. [*Laughter*] I mean, my aspiration is to help and assist those countries in this hemisphere that want to walk down democracy's road—freedom, democracy, the very changes that we see coming forward in Eastern Europe. Who would have thought we'd be talking about trying to assist Czechoslovakia a year ago? Or Romania? Or some of these other countries? So, I don't think we can dictate exactly what kind of system somebody else has. It's not our business, particularly if they have free and certifiably fair elections. But I think one's inclination is to help those who have the same reverence for democracy and freedom that we have.

Education Reform

Q. You stated in your State of the Union Address that you wish to improve education and to implement the goal of best by the year 2000. How do you plan to implement your goal of having our graduates be the best by the year 2000?

The President. Well, we have a sound program, what I call the Education Excellence Act, before the Congress today. It's complex legislation, but I want to see it passed. Probably get amended, probably get changed, but it challenges people to think anew. We've gotten the Governors together in a Governors conference that was more than just frill. What it did was get—agree to set national goals. And in the speech the other night, I spelled out four of the national goals that the Governors have agreed should be national. And they themselves will get to work and redouble their efforts in their States and try to encourage the localities to implement the program that we've spelled out.

But let me be careful here, because it isn't the role of the Federal Government to do this alone. It can't do it. Seven percent of the educational spending in this country is Federal. And the rest, for very understandable and, I think, wonderful reasons, belong at the State and local level or private educational institution level.

And so, we can exhort; we can push for the kind of legislation; we can push for implementation of the national goals through the use of the bully pulpit in the White House. And then we've got to encourage

the Governors and the local school boards and our teachers, when it comes to alternative certification and all of these things, to think anew. And we can do this. But we're trying to put some emphasis on things like math and science, so we can guarantee our ability to compete in the future. But the Federal Government isn't going to do it alone. It wouldn't be good, either, for the Federal Government to try to do it alone.

The First Lady

Q. President Bush, this is your last question. And before I ask the question, I wish to remind our audience to please remain seated until President Bush and Governor Deukmeijian have left the room. This is a summary of many different questions that I've received, President Bush, and that is: Where is Mrs. Bush, and how is she? [*Laughter*]

The President. I know you'll never believe this, but I'm getting a terrible inferiority complex. [*Laughter*] She's fine. And we both have something in common now—the vision thing—because she has this eye problem. But she is doing very well. There is no hidden agenda to her health. And today she is down as one of the Thousand Points of Light, which she's been for a long time, helping on literacy in southern California. And I'll meet her tonight in Omaha. But she's doing just great, and thank you for asking about her.

Thank you very much.

Note: The President spoke at 12:35 p.m. in the Grand Ballroom at the San Francisco Hilton Hotel. He was introduced by Joseph Fink, president of Dominican College and quarterly chairman of the Commonwealth Club.

Statement by Press Secretary Fitzwater on the President's Remarks to the Commonwealth Club in San Francisco, California

February 7, 1990

In the President's reference to [West German] Chancellor Kohl and Foreign Minister Genscher today, he meant that Germany would remain as a member of NATO [North Atlantic Treaty Organization], but NATO may have a changing mission. This changing mission, involving an increased political role for NATO, was discussed in Brussels following the Malta summit.

Statement by Press Secretary Fitzwater on the Presidential Election Monitoring Commission on Nicaragua

February 7, 1990

Senator Richard Lugar, cochairman of the Presidential Election Monitoring Commission on Nicaragua, has announced this afternoon that the refusal by the Government of Nicaragua to issue visas to the entire group has prevented the Commission from carrying out its functions. We are disappointed that Sandinista stonewalling has brought this about. The President's bipartisan Commission reflects the full spectrum of opinion in the Congress on Nicaraguan issues and is universally regarded to be fair and impartial. It is hard to understand why a government that claims to be committed to a free and fair election would fear permitting such a group to observe the electoral campaign and balloting.

Nicaragua's refusal to permit official U.S. observers chosen by the President, in consultation with the Congress, follows a series of other actions which bring into question the Sandinista commitment. These include continued violence and coercion against opposition activists, imbalance in access to the media, and the use of state resources to help the Sandinista candidates. Politically motivated delays by the Sandinistas to disbursement of nonpartisan campaign funds to the opposition for such activities as voter registration and election monitoring have forced cancellation or curtailment of critical election-support programs. These funds, which were approved by the U.S. Congress, have the sole objective of facilitating the conduct of an open campaign in which the maximum number of Nicaraguans can participate, vote in a secret ballot, and have their vote honestly counted.

We believe that a free and fair election and Nicaraguan adherence to its other com-

Salinas SOU

World's Largest Common Market

NOT North + South / E-W

human rights - context of modernization

Barb. Bush auto. for jobs

Mexican + USA EPAs working together

stars come out - from LA to Mexico City.

Talk about fathers in [redacted] office,
strong belief in public service -

[redacted]

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Appointment of J. Brian Gaffney as a Member of the Board of Directors of the Federal National Mortgage Association

October 3, 1989

The President today announced his intention to appoint J. Brian Gaffney to be a member of the Board of Directors of the Federal National Mortgage Association for a term ending on the date of the annual meeting of the stockholders in 1990. He would succeed Al Cardenas.

Since 1960 Mr. Gaffney has served as a partner with the law firm of Gaffney, Pease and DiFabio in New Britain, CT.

Mr. Gaffney graduated from the University of Notre Dame (B.A., 1955) and Fordham University (LL.B., 1958). He was born March 25, 1933, in New Britain, CT. Mr. Gaffney served in the U.S. Army, 1959–1963. He is married, has six children, and resides in New Britain, CT.

Toasts at the State Dinner for President Carlos Salinas de Gortari of Mexico

October 3, 1989

President Bush. To President and Mrs. Salinas and honored guests and ladies and gentlemen, Barbara and I are just delighted to welcome you to the White House. Your country, sir, has often extended to us that kindness for which Mexico is so famous. And tonight, we are honored to have you both here.

We first met last November, sir, in Houston, Texas. We met, if I might add this personal note, the day after your Harvard football team fell to the mighty men of Yale. It seemed at the time like an inauspicious start, somehow. But we've learned anew how special the relationship—you're trying to get even—[*laughter*]—the relationship between Mexico and the United States can be, this relationship which has been, and continues to be, bound by so many ties. And we've become good friends. And those ties, of course, include our 2,000-mile border and billions of dollars in trade, and they're educational, they're political, they're economic, they're environmental. And our ties rest on respect, maturity, and communication, consultation. And the values that we cherish links our cultures: values of faith, family, and respect for tradition.

As a young man, Mr. President, you did study in the United States. And you know us well, and you came to understand our ties. And I, too, revere them. For, as a Texan, I've lived many years side-by-side with Mexico and know and appreciate your beautiful country and its wonderful people. Such understanding, I think, leads to trust, and such trust can lead to progress. Speaking of trust, I trust that you dried out from the golf cart tour of Camp David on Sunday. [*Laughter*] There was a true downpour. President and Mrs. Salinas came up there in the mountains. But I was anxious for the President to look around, so he and I set out on a golf cart in this driving rain. Barbara was convinced that I had just dealt a severe blow to Mexican-United States relations. [*Laughter*] It is this kind of trust that I'm talking about. For, from its earliest days, your administration has acted as our neighbor and equal partner, and known that by applying our resources to common problems we can ensure a richer life for all.

Now, let us determine to do more. And let us increase bilateral trade and achieve economic growth. Let's expand cooperation and enhance investment opportunity. And let us support democracy in our hemisphere, and thus, regional security and stability. We must also reaffirm our commitment to combating narcotics; that is both a national priority and a hemispheric crusade. And I thank you, sir, for your fantastic cooperation in this regard. For unless we defeat drug use and trafficking, we will help rob our children of their very dreams.

There's an ancient proverb which goes: "God guides whom he wills to a straight path." Mr. President, let our path be straight and true, affirming all that which unites us, and so enrich this generation and all the generations to come. In that spirit, I ask all of you, our guests here this evening, to rise and raise your glasses to Mexican-

American friendship, to a better world for our children and all children, and to the health and happiness of our friend and colleague, the President of Mexico, and Mrs. Salinas.

President Salinas. President George Bush, Mrs. Barbara Bush, ladies and gentlemen, dear friends, I would like at this dinner to express my gratitude to the people and Government of the United States for the warmth they have shown towards the Mexican delegation which I head. I have found in President George Bush a friend who is not only worthy of esteem, but also an outstanding leader who, in the short time he has been in office, has managed to give a new thrust to the United States and to national relations based on the human understanding that is the legacy of freedom handed down by the Founding Fathers of this great Republic.

We Mexicans, President Bush, have been witnesses to your willingness to engage in frank, open, and substantive dialog. This has been a good starting point for embarking on a different phase in our bilateral relation. The same applies to the Congressmen and officials with whom we have held fruitful talks on both sides of the border that have led to improved understanding between our peoples.

I have come to the United States with the intention of establishing a new relationship of friendship. Free of myths and mistrust, I have come determined to stress common points of view and shared ideals, to pave the way for a mutually respectful united and solitary progress as neighbors towards the future. We are aware of the historical difficulties that we have had in our relations and of the problems that are still pending. Nevertheless, we are sure that the time has come to derive mutual benefits from the advantages of the border that joins us, thereby strengthening the identity of each nation at a time of profound worldwide changes.

In Mexico, we are presently experiencing a time of renewed social optimism. On concluding an important stage in the process of renegotiating the foreign debt a few months ago, we provided Mexicans with a new horizon for progress. I extend my gratitude to President Bush for the understanding and solidarity he has shown which enabled us to reach a successful outcome to this important process so essential for our growth.

In Mexico, we are determined to modernize our country. We Mexicans are seeking the best way to mobilize the full potential of social energy, of groups, and of regions. Despite a severe economic crisis, we have not succumbed to apathy or despair. With strong institutions we are currently striving to regain our growth and to continue transforming our economic structures and renovating our political practices. Rights and responsibilities are now becoming a salient feature of all social activities, the economy, and politics. The needs and dreams of Mexicans, especially those of modest means, demand this major transformation.

Trade exchanges worldwide have intensified significantly with the shortening of distances. Accordingly, exchanges between our countries are increasingly dynamic and diversified. Trade offers an extraordinary potential for mutual benefits and for growth, which is essential for my country. Few economies have opened up as much and as rapidly as Mexico's. A similar opening up of the American market would not only represent reciprocal treatment but a stimulus to our new friendship. A renewed period of gradual growth will enable us to assign resources to investment, to the strengthening of the domestic market, and to the generation of employment for the one million young people who currently demand it. My aim is for all Mexicans to find work in Mexico. However, the differences between our economies attracts Mexican labor to contribute to the development of the United States. We can do much to abolish mistreatment of workers on both sides of the border and to ensure respect for their dignity.

My government views the in-depth fight against drug trafficking as a tireless battle. We have not hesitated to resort to political will and economic resources to put an end to the international crime. Many Mexican lives have been lost in this struggle. We know, however, that stamping out the traffic in drugs is a matter of national security to us, of preserving the health of our youth

and the basic principle of international solidarity in the face of an evil that affects us all. No one can feel untouched by it as long as there are teenagers trapped in addiction while their families look on helplessly.

Bilateral cooperation between our countries will be enriched by concrete actions undertaken by both Governments to halt environmental pollution on our common border, to make joint progress in restoring the purity of the air and water in both territories, and to engage in common efforts to protect the tropical forests that are the lungs of the world. Allow me to add, Mr. President, that with this cooperation regarding the environment and to halt environmental pollution, that will enable the children in Mexico to paint the sky blue again and to find the stars in the sky.

Out of culture, a valiant history—invincible in the face of adversity—has been forged. It is the source of our self-assurance, our identity, in opening our doors to the world and participating in its transformation. By strengthening ourselves as an independent nation in today's interdependent world, cooperation between us will prosper and our relation as neighbors will become the new friendship of the coming decade.

President Bush, Mrs. Bush, you have given us a cordial welcome. In it, we see the spirit that sums up what has always existed between our peoples: the hope of sharing an era of mutual benefits, of exploring areas of agreement, and of working side by side to shape a future of mutual prosperity. By joining our efforts, our two Governments can more clearly hear the wise, generous voice of the men and women who give meaning to this meeting.

President Bush, in this new stage of respect and friendship, let us join now in a toast to the strength of Mexico and of the United States; to a hemisphere with peace, democracy, and development; to the beginning of a new friendship that inspires us to live up to the expectations of our peoples; and to your own well-being and that of your family.

Note: President Bush spoke at 8:11 p.m. in the State Dining Room at the White House.

Statement by Press Secretary Fitzwater on Economic Assistance for Poland and Hungary

October 4, 1989

The world has watched with wonder as Poland has moved—swiftly and peacefully—to form a new government under Prime Minister Mazowiecki, the first non-Communist government in Eastern Europe in more than 40 years. We salute Prime Minister Mazowiecki, President Jaruzelski, Solidarity leader Lech Walesa, and so many other distinguished Polish leaders for their courage and wisdom in helping bring about a new beginning for Poland.

From the very start of this administration, President Bush has taken the lead in supporting reform in Poland and Hungary. At Hamtramck, Michigan, in April, on the day of the signing of the roundtable agreement in Poland, the President announced a set of measures to open U.S. markets and encourage private sector loans and investments. In July, he visited Poland and Hungary and spoke before the Polish Parliament, as well as to a massive gathering at the Solidarity monument in Gdansk. He announced a further comprehensive package of assistance measures to support Poland's economic and political regeneration, a package which took account of the fact that Poland did not yet have its new government or its new economic policies in place. He announced a similar program during his visit to Hungary, which is also embarked on a promising path of political and economic reform. A few days later, at the Paris economic summit, the President proposed and our summit partners agreed to a plan for concerted Western action to encourage and assist economic reform and democratic change in Poland and Hungary.

In early September, the administration submitted to Congress a comprehensive legislative proposal that would create a $100 million enterprise fund for Poland and a $25 million fund for Hungary, as well as a labor initiative and an environmental initiative together totaling $20 million. In addition to this $145 million proposal, and other initiatives taken by reprogramming existing resources, we have offered $100 million in emergency food aid to Poland in the

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THE WHITE HOUSE

WASHINGTON

October 28, 1990

MEMORANDUM

TO: DAVID DEMAREST
CHRISS WINSTON

SPEECHWRITER/RESEARCHER TO BE ASSIGNED

FROM: CAROLYN CAWLEY

SUBJECT: PREADVANCE TO MONTERREY, MEXICO

President Bush will be traveling to Monterrey, Mexico November 26 -27, 1990. Mrs. Bush and Secretary Baker will accompany him.

The proposed schedule is as follows:

November 26, 1990

11:45 a.m.	Arrive Monterrey, Mexico. Welcomed by Foreign Minister Solano
12:00 p.m.	Helicopter departure to Agua Leguas, hometown of President Salinas
12:30 p.m.	Meet President and Mrs. Salinas at an informal arrival
12:50 p.m.	Rodeo demonstration at the local corral
1:45 p.m.	Barbecue for the townspeople hosted by President Salinas. 5000 attendees expected. Very brief remarks -- Hello, thank you for the hospitality, etc.
3:15 - 5:00 p.m.	Downtime and private meetings
5:00 p.m.	Depart for Monterrey

5:30 p.m.	POTUS and President Salinas arrive Monterrey for official arrival ceremony with full honors
5:40 - 6:30 p.m.	Government Palace -- they'll be received by thousands of citizens in the Plaza. Firework displays and brief remarks by both Presidents.
6:30 p.m.	End of official day

November 27, 1990

9:00 a.m.	Private One on One Meetings between the two Presidents. Photo opportunities.
9:20 a.m.	Expanded bilateral meetings
10:40 a.m.	City Theatre -- 15 minutes of remarks by each President. 1400 attendeees representing a cross section of the citizens of Monterrey.
11:45 a.m.	Casino Monterrey -- join the end of a meeting between Mexican business leaders hosted by Secretary Mosbacher and Trade Representative Hills. 250 attendees. Very brief remarks.
12:30 - 12:45 p.m.	Palacio Gobierno -- Dedication Ceremony for a new Mexican - American Studies Institute. Very brief remarks.
1:00 - 2:05 p.m.	Palacio Gobierno -- Official Luncheon. 150 attendees. Toasts.
2:30 p.m.	Arrive Airport
2:45 p.m.	Depart Monterrey, Mexico for Andrews AFB

PREADVANCE NOTES -- MONTERREY, MEXICO

Contacts:

** Bob Earle, Embassy PAO (Mexico City) **
Bob Gibbons, US Consulate in Monterrey

On economics: Paul Trivelli, US Embassy in Mexico City
Don McConnell, US Embassy in Mexico City

Notes of Interest:

The Aqua Leguas Rodeo and Barbecue:

Agua Leguas means "Far Waters". It is President Salinas' ancestral home. It's located about 1 1/2 hours from Monterrey by car. Extremely rural small town. The town square is about all there is.

The BBQ is expected to draw 5,000 people, many of whom will be Mexican children. This is really down home entertainment by President Salinas -- any remarks should acknowledge POTUS' pleasure at having been invited to this small town, the wonderful hospitality, etc. Draw on the years he spent in Texas etc.

The BBQ plaza is down the street one half block from the Salinas home.

-- Benito Juarez is known as the Father of Mexico. The dedication ceremony room at the Palace is named for him.

-- You may also want to check up on Octavio Paz, recent Nobel Prize winner for literature. I was told he is very popular with the Mexican people and also very quotable for POTUS.

-- A major landmark in Monterrey is Saddle Mountain. It does resemble a saddle and is visible from virtually everywhere. See photos.

-- Note that Monterrey is a very small city that is far from everything else in Mexico. It's flat, but surrounded by hills. The countryside around it is almost desert-like, strewn with sagebrush and tumble weed. The land between Monterrey and Agua Leguas is virtually unpopulated, except for shack once in a great while.

Monterrey is located in "Estado de Nuevo Leon"... the state of the new lion. (check this translation!)

Though it's far from everything else, Monterrey is Mexico's #2 industrial center. It's the home of a group of 10 conglomerates in steel, glass, and beer. The story says two guys decided to produce beer and decided they should also produce the bottles, then the caps, etc. All of Mexico's major brands of beer are made here.

It's boom came in the 1890's with the railroad, though it has been a trading center since the 16th century.

-- The national symbol, seen in all the government buildings including the facade above the podium for the Palace/ firework speeches is: an eagle landing on a cactus. It is an Aztec symbol for the founding of Mexico.

-- I was told that FDR was the last US President to visit Monterrey, in April 1943. Reagan visited Mexico, though not Monterrey. Check on Bush's visits as VP.

-- You may want to look into Lincoln quotes for these speeches. I saw several quotations of his displayed in various buildings, though they were in Spanish and I didn't have time to write them down.

The City Theatre is a very modern structure. The main auditorium, site of the speeches, is gray and black and fairly nondescript. It's mainly used for performing arts. There are two tiers of seats, just like any performance hall.

Palacio Gobierno is a huge and magnificent structure at one end of a major plaza. The plaza has a big fountain in the center and has 4 statues of historical figures. See photos. The mountains in the distance appear larger than life. The two Presidents will appear on the front steps of the Palace and will make brief remarks there following a fireworks display.

Palacio Gobierno Luncheon. Luncheon for 100-150 guests. It will be held either in an open courtyard or an enclosed one topped with stained glass.

Salon de Benito Juarez. Room for the dedication ceremony for the Mexican-American Studies Institute. The program is a joint venture between the University of Nuevo Leon/ the Monterrey Technical Institute and US Universities. I couldn't find anyone to tell me more. Best to check with Bob Earle, PAO at the Embassy in Mexico City!

profound understanding of the rights and responsibilities we have as citizens of a free and prosperous Nation.

In recognition of the contributions of Arab-Americans, the Congress, by House Joint Resolution 241, has designated October 25, 1989, as "National Arab-American Day" and has authorized and requested the President to issue a proclamation in observance of this day.

Now, **Therefore, I, George Bush,** President of the United States of America, do hereby proclaim October 25, 1989, as National Arab-American Day. I call upon the people of the United States to observe this day with appropriate ceremonies and activities.

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

George Bush

[*Filed with the Office of the Federal Register, 10:52 a.m., October 27, 1989*]

Note: This proclamation was not issued in the form of a White House press release.

Interview with Foreign Journalists
October 25, 1989

War On Drugs in Colombia

Q. Mr. President, you know that the problem in Colombia is the fighting of—this drug problem. And the newspapers in Colombia are very much in front of this thing.

The President. Yes.

Q. And we are fighting very strongly. We have been suffering a lot. But there is a concern in our country that in the United States there is not enough control and enough punishment on the consumption and distribution of the drugs.

The President. Yes.

Q. I personally had an experience just 2 weeks ago. I was in New York. I was invited to the Waldorf Astoria for dinner. And the person who invited me came to the Grand Central and walked from the Grand Central to the Waldorf Astoria, and in that short walk, four people offered him drugs. So, I say, Why does this happen? Is it in the United States that there is not enough control and enough punishment, enough action in that way? So, what can you tell our readers about that?

The President. Mr. Cano [Luis Gabriel Cano, El Spectador, Colombia], first, I strongly supported what President Barco [Colombia] said when he called attention of the world and certainly the United States to the consumption problem. We have no argument with that. He is right. And what I am trying to do in our new antidrug strategy is to go after not only the criminals that sell drugs to your friend in those two blocks but the people that use it. We're coupling with that an all-out education program that is not just government but private sector as well.

And I might say that it isn't just, regrettably, one country, the United States, that is a user. What concerns me and other leaders is that it's going not only into some countries in our own hemisphere, South America, but all through Europe. And I asked the Soviets if they had a problem with it, and it's everywhere.

But I think when President Barco, my respected friend, pointed out, Look, you've got to do something about consumption, he was right. And I've used that in speaking to leadership groups in this room and in others to try to encourage support for our antinarcotics program, which still does have strong support in our country, and for the legislation we need—getting tougher on the people that sell it—and for the education, of educating against being a user.

Argentine Economic Reforms

Q. Mr. President, Argentina is trying to restructure its highly inefficient economy. And that implies some degree of social tensions. And President Menem was here recently to explain some of these goals. What was your perception of these goals and these problems? And what do you think the U.S. can do to assist or help a country like Argentina dealing with these economic and social problems?

The President. In the first place, I was most impressed with President Menem not

just here when he came to visit but at the United Nations when we sat together and had a chance to have a quick meeting. I think there's been a universal respect for what he's tried to do. He came out of one political background, and he has broadened the appeal not just to have support in the Argentine but in the United States as well.

I told him we want to work with him on the debt problem. I realize it isn't easy because Argentina does have a very large debt. But the elements of the Brady plan are there, and they can be very helpful to him. We want to encourage and be helpful in privatization. And I think there's ways that we can encourage investment in Argentina, given these political reforms. So, it's across the board. It isn't just one program.

But the thing that's impressed me is the toughness of the man and his willingness to make the tough decisions on getting his economic house in order and, indeed, what he's doing on the political front.

So, I think you'll see a whole new relationship between Argentina and the United States. This is on my mind because the Argentinian Ambassador [Guido Di Tella] presented his credentials yesterday, and well, he really said just about what I'm saying here in terms of the feeling in Argentina about the United States. And I want to encourage as many of our top people to go there as possible; work closely with the finance people, the environment people, the military, whatever it is. So, we have a new era bilaterally; and I think, universally, there is a respect for what he's trying to do.

Chilean Democratization

Q. Mr. President, in countries returning to democracy, like Chile and so many others, what is the importance of the following three threats: first is subversion; second, the tensions in the military suspected of violation of human rights; and third, the economy and the foreign debt?

The President. Just to comment on each of those?

Q. Yes.

The President. Subversion—nobody is interested in doing anything other than to help stop possible subversion. Because as Chile moves towards its elections within the next few weeks, this is a very significant development; and it is one that, in my view, can result—speaking as President of the United States—in better relations with our country.

On the military violations, this obviously is a matter where the people of Chile and the Government and everybody else has to respond. There's not much we can do about it. But I do not want to see in any country a military subvert the will of the people when democracy is on the move in this hemisphere. A general answer to a specific question.

And then the third one was what?

Q. The foreign debt and the economy.

The President. Foreign debt? Well, of course, Chile has been out in front of other countries in managing its economy, in spite of its difficulties in some areas. We talked about the politics, the political problem. But Chile, because of its—I wouldn't say economic miracle, but they have done far better. And the elements of support from the international institutions—and again, on the Third World debt or their debt problems—are in place pretty much in Chile. So, I'm somewhat optimistic about their being about to cope financially, at least as we see it from the United States. I think people see that Chile has done very well, relatively speaking.

Soviet Arms Shipments to Nicaragua

Q. Mr. President, in spite of superpower negotiations on regional issues, Soviet-bloc arms continue to pour into Nicaragua. From January 1st to September 30th of the current year, there were 55 shipments, valued at over $400 million—State Department figures. What does your government plan to do about this? And do you plan to bring this up at the coming summit in San José?

The President. I'll bring it up every chance I get. And what we're trying to do is educate our friends in Europe and people who strongly support democracy all over the world that this is happening. I think people don't believe it. And it's true.

Secondly, we will continue to work with the Soviet Union. We had a little argument—not argument, but they felt we had challenged their word on this whole question, as you remember, not so many weeks ago. And we weren't doing that. We were

pointing out the totality of the shipments, which are in the range that you've just outlined here.

So, we will make clear every chance we get to the Soviets that that is not in their interests, and certainly we view it against the security interests of the United States. And we view it against the tide in terms of democracy. Why should that military clique, who at one point were espousing their own Marxist beliefs, deny, through having a military force far bigger than is required and bigger than any of its neighbors, the will of the people?

So, it's a combination of these things. And I will be pleased to discuss it in Costa Rica; in Washington, DC; or anyplace else. And I think there's a little more understanding now in our country about it, but not as much as there should be, see, because the regime keeps denying this, you see.

Nicaraguan Contras' Repatriation

Q. Mr. President, according to the Tela accords, which were signed recently by the five Central American Presidents, the Nicaraguan resistance must be demobilized and voluntarily repatriated by December 8th. With the economy of my country in terrible shape, Honduras is insisting that the resistance leave its territory by this date, December 8th. If the resistance does not want to return voluntarily to Nicaragua, for whatever reason, will the United States take them? And will you take this up with President Azcona when you meet with him in San José on Friday?

The President. There were two conditions under Tela: one was voluntary repatriation, and I think the other was to democratic conditions, or something of that nature. And so, those two are the sine qua nons of demobilization, it seems to me. And so, I can sympathize; and, yes, I'll be glad to discuss it further with President Azcona. I understand it does cause some differences. But I do not want to push for anything other than voluntary and then demobilization into democratic conditions.

So, I think the major objective here should be to see that these elections are free and fair and that opposition—and, yes, we'll help with repatriation on those conditions, absolutely. We will help. But I must insist that all of us in this hemisphere—and I will try to insist on this—do what we can to be sure that these elections coming up in Nicaragua are free and fair and that the opposition has a chance to take its case to the people. And I'm not just talking about 3 minutes on television at midnight. I think there's got to be a very fair presentation of the opposition case.

So, I don't want to sound insensitive to what's happened, to the burden on Honduras. I am sensitive to it and am perfectly prepared to discuss it further with President Azcona. We discussed it when he was up here. But we're getting close now in terms of time, and these elections are the key to a lot of things.

War on Drugs in Mexico

Q. Thank you, Mr. President. There have been reports of the United States concentrating troops along the Mexican border for drug interdiction matters. A, can you confirm that for us? And, B, given the nature of our border and the fact that Mexico uses a substantial part of its own army for the same purposes, would you like to see an operation on the border constrained to the border of Mexico and the United States designed to break up drug traffic and arms traffic coming from the United States into Mexico?

The President. I'd like to see the utmost cooperation between the military. I'm not sure that I'm prepared to endorse a joint force, and I'm not sure Mexico—President Salinas—would want that. But I should tell you, we have reached a new level of cooperation because of the courage of the new President of Mexico. And in terms of our interdiction, what you may be thinking of is not a deployment of U.S. troops but using the National Guard in some areas on exercises to try to stop drugs from coming in.

The more cooperation we have with Mexico along the lines you're talking about to interdict—whether it's illegal arms going one way or illegal drugs coming another—to have that border policed and peaceful, the better it is. But I am very encouraged by the cooperation we're getting all up and down the line from the Salinas administration, and I hope they're encouraged, because this is indeed a two-way street.

And as one who feels very close to Mexico—as you know, my grandchildren are half Mexican—and this one is one that's real close to my heart. And I don't want to propose anything, nor will I support anything that looks like an abuse of U.S. power. The way to do it is to work cooperatively with the Salinas regime and the officials in the military, *policia*, whatever it is, to accomplish the ends that both countries want. So, we will try. And I'm not suggesting we don't have border problems. We do; Mexico does with us. But the level of cooperation has really stepped up. And our visit with the President here—I think the more my high officials—my Cabinet people that saw him, the more impressed they were.

War on Drugs in Peru

Q. Mr. President, in Peru, we have two extremely serious problems: the economic crisis and the terrorist subversion. They limit and complicate any effective action which may be taken with regard to the drug traffic. In this respect, what will be the principal proposal of cooperation of your government in our joint battle against the drug scourge?

The President. Well, we have made some proposals on antinarcotics that affect Peru and affect Bolivia. But I think the way to answer that question is to say I enthusiastically look forward to participation in this so-called Andean drug summit, and we're going to be trying to set the—along with—as invitees and invitors. We said earlier we thought this was a good idea. Now we've had official invitation from Bolivia and Colombia and Peru. And I think to really definitively answer your question we've got to have that meeting because I don't want them to be making proposals that just go counter to the culture in Peru. And I want them to understand, though, how strongly we feel about it and how prepared we are to help them.

So, we've made some proposals, and as you know, we've helped in the past, principally, in Bolivia on helicopters and spraying. But I don't want to go further than that now until we have this summit. There's no point in having it if we have our minds already made up. I've got to hear from them. We've got to have a hemispheric answer, not just a U.S. proposal on it.

Hemispheric Oil Trade

Q. Mr. President, ex-Secretary Schlesinger, writing in the Washington Post this morning, pointed to the increasing consumption of oil by the U.S. and the increasing dependency, as a result, on the Gulf region. Now, I know that, as a former oilman, you must be aware of the very large reserves in the hemisphere of heavy oil. What would be your ideas regarding the possibility of a hemispheric preference arrangement to decrease your dependency on the Gulf?

The President. I would be very wary of interjecting myself, our government, into the market. I'd be concerned about that. I can see the security argument that some might make, and it's valid. You have Mexico. You have the enormous resources in Lake Maracaibo in Venezuela. Colombia has some production. And you can make a case that there's more for the security interest of the United States in giving preference. My problem with it is it distorts the market and it artificially could raise the price to the American consumer or you could start regional conflict—not military but economic conflict between the producing countries.

And Saudi Arabia and, to some degree, Kuwait and Iran dominate the international oil market. And if we move to preferences, if we move to regional compacts of this nature, I think you could set off a price war that would damage the economy not just of the—of every producing country. And that would work opposite of increasing prices here, but it would not be good for the economies that need to optimize their revenue from oil and gas. And I'm talking about Mexico, and I'm certainly talking about Venezuela.

But I share Jim's—I didn't see this article, but I share his concern about my country becoming ever increasing [dependent] on foreign sources. And that's why I've tasked Jim Watkins, our able Secretary of Energy, to come up with a national energy policy. And it won't just be hydrocarbons. It will be more use of domestic—of gas, I'm sure. It will be a vital industry in oil, but it will be alternate sources as well. We are not going to back away from nuclear power in this country.

Alternative Employment for Drug Producers

Q. Mr. President, in Peru and my country, Bolivia, there are thousands of people working in the coca leaf fields because they don't have any other source of income. Unless there is a serious commitment from rich countries to help to create jobs, through investments, for instance, the narco-traffic problem probably won't change. Mr. President, do you think that the United States Government would consider the possibility to initiate and encourage investments in those countries to try to change the entire situation for every——

The President. Julio [Julio Cesar Duran, El Diario, Bolivia], we certainly consider that. Again, that's a subject that I want to discuss with your new and, I'd say, very impressive President. Again, I had a good meeting with him. And I don't want to prejudge this so-called Andean drug summit, but we recognize that many of these small peasant farmers are dependent on coca crops. I also recognize that the business has gotten pretty good for them, better than it used to be because more people, especially in my country, are using the damn stuff. So, we don't want to do—I'm not sure it's just supply and demand that's working there.

But we've got to be openminded about alternative cropping. We've certainly got to be openminded about trying to get business opportunities that would take some of these farmers and get them involved in something other than producing coca. So, I'm openminded, but again, I don't want to prejudge the summit.

Brazil-U.S. Relations

Q. Mr. President, as you know, we will have Presidential elections in Brazil in 3 weeks. And the U.S.-Brazil relations have become a major issue in the political campaign. What I would like to know is your expectations regarding this election and what the new President, that will be elected by the people for the first time in almost 30 years, could expect from the U.S.?

The President. Let me answer your question, but let me ask for clarification. How has the U.S. become an issue in the election? Just so I can respond.

Q. These recent trade disputes and environment and so on.

The President. Okay. Well, first, this is an enormous country. And the heartbeat is democracy, I'm convinced of that. That hasn't always been the history. I think that's the heartbeat in Brazil. So, the United States should stand ready, as we have with Argentina, to see what comes out of the election; clearly, not be involved in the election. And then stand ready with a friendly country—and I think we do have friendly relations with Brazil—to iron out what has cropped up as difficulties, be it in trade or something else. And so, I would just say, Look, you've got a new regime. What do you stand for? What kind of relations do you want with the United States? And we're ready—we are ready to deal with you. And Brazil faces horrendous debt problems, too.

One area that's been a little contentious has to do with the forests and with the environmental implications of that on global warming. And at first, I think there was a disconnect between Brazil and the United States. But now I don't think we're very far apart. We had a good talk with President Sarney in New York about this. And I think when we were talking about environmental set-asides he thought I was talking about intervention into the sovereignty, or diminishing the sovereignty, of Brazil. And heaven's sakes, we're not interested in that. We are interested in this concept of global warming and in working with Brazil in a constructive way.

So, I think we've ironed out what might have been major misunderstandings. Without knowing who wins the election and what that person stands for, I'd have to wait and see. I would simply go back to Argentina, when some were predicting, I think we would all recognize, great difficulties if President Menem won the election. We had a lot of sophisticated guys telling me, Hey, this would be not good for me, for the United States, for our country. It turns out to be just the opposite. So, we can't prejudge. We've all been through campaigns. We've listened to campaign rhetoric. Espoused a little myself from time to time. But look at the facts. Look at where we're going. And we want to do that with Brazil, and we will.

War on Drugs in Colombia

Q. Mr. President, the drug fighting—it's a matter of survival in Colombia and a way to defend our democracy. The Colombian Government established a reward of 100 million pesos to the person that provides any information in order to catch the big drug traffickers. However, they move to other countries, and the action has not been effective yet. We feel like if they are caught the drug problem is going to fall down a lot. Has the United States Government, through any international organization, considered the possibility of setting up a better and more attractive reward?

The President. I hadn't thought about the reward possibility. Maybe our Department of Justice has. So, I should hedge a little bit on that.

Bob [Robert Gates, Deputy Assistant to the President for National Security Affairs], do you know?

Mr. Gates. No, sir. I'd be glad to——

The President. What we have done is set up—or are in the process of setting up much more cooperation with others in terms of the problem itself. In the first place, we have, I want to repeat, a great respect for what President Barco is doing against a lot of tough forces and against—good God, here you guys are in the newspaper business, and just for printing the truth and standing up against this, you've been firebombed and had great difficulty. So, we can identify with that. So, I think it's going to be—everyone knows our stance on extradition, and I understand it's not a particularly popular stance in some areas in Colombia. But the administration, President Barco, has been very good about that.

Whether the reward—I know we have some rewards, but whether it applies to this or not, I'd have to get you an answer. Marlin [Marlin Fitzwater, Press Secretary to the President] if you would—I'm embarrassed to say I don't know the specific figures and there isn't, on my desk, a proposal to increase the rewards. If there was some feeling on the part of President Barco, on other leaders in the hemisphere, that this would be useful, I can guarantee you I would give it fast consideration, because we have got to show that we're doing what we can against consumption—your point—and that we want to cooperate in every way possible to bring these people to justice.

Q. Mr. President, the drug cartel has sent various messages to the Colombian Government and to the Colombian Congress seeking some sort of dialog to end the war. In their last message 2 days ago, they even proposed that this subject should be put to a referendum. They have specifically offered to dismantle all their operations, to retire completely from the business, and to eliminate drug trafficking from Colombia. What would be your reaction if the Colombian Government would eventually agree to this dialog?

The President. I would let the Colombians make their determination on how they want to treat problems in their own country. But I would be very wary of taking the word of an indicted drug dealer. I would be extraordinarily worried about that because I don't think they keep their word. I think these are people that—the background on some of them, you know—well, were common criminals until they got into the lucrative business of poisoning the kids not just in the United States but in Colombia as well and every other country as well. So, I'm not sure the Colombian officials need free advice from me, but I would be very wary about that negotiation. And I think that the Government of Colombia has been very wary about that kind of negotiation because they know the kind of people they're dealing with.

Q. Mr. President, Colombia's war on drugs can only be sustained if the country's economy is strengthened. Eighty-seven million dollars, which was given to our country basically in military equipment, is a welcome aid. We were very grateful for your help. But we feel that in order to maintain the proper political attitude of the Colombian people towards drugs much more for the country's economy is needed. Could you consider—and perhaps the meeting at the Andean summit might be the place to give, eventually, discussion to this—would you be able to consider a type of Marshall plan for countries such as Colombia that are decidedly and deeply involved in the war on drugs?

The President. Well, again, I would be willing to consider anything. And I hate to

cry poor mouth. We are living under constraints on the economic side that I wish we weren't living under. But we did discuss with the President of Colombia the egregious effect that the coffee agreement has had on the overall economy and, thus, the resources available to help fight narcotics. So, we told him, Look, we're going to try to help reinstate this agreement. It is not a popular thing in this country because people think, Hey, I'm going to have to pay more for a cup of coffee. But we ought to go the extra mile here in trying to help Colombia. And so, it's with that in mind, on that one facet of the problem I think we can try to help.

But, look, if there's some bold plan that can come out of this summit that will help in the areas that produce it, and then Colombia, which has both production and has become this factory, really, for these people, we should be openminded about it and go the extra mile to try to help on the economic. Because I do see the connection. We don't just say, Look, you do something about these drugs—crime, criminals, explosions, arms—and then forget the economy. We're not going to do that. But I've got to stop a little short until I know what the view of these leaders will be when we get there.

President Ortega of Nicaragua

Q. The celebration of the 100 years of Costa Rican democracy will make you coincide in our country with Nicaragua's President Daniel Ortega.

The President. I've thought about that. [*Laughter*]

Q. Is there a possibility that you will be meeting—or would you be willing to meet President Ortega in Costa Rica, and what topics would you be willing to discuss with him?

The President. No. We're there as guests of President Arias. And there's no meeting planned. Certainly there will be interaction. This is a multilateral approach, coming there to salute democracy. I find it somewhat ironic that Mr. Ortega is there to salute democracy, but nevertheless, so be it. That's good.

We want to have a tribute to 100 years of Costa Rican democracy, and what we don't want to do is inject a lot of regional tensions into their meeting. But I'm going to be polite, charming—[*laughter*]—and if I had an encounter, it would be very firm because I don't see why that one Sandinista regime is swimming against the tide, as Chairman Mao used to say. Why not? The aspirations in our hemisphere, in all these countries, is for democracy. And you see it happening all the time. Just heard about it around this table by your very questions. And Marx's star is fading not just in this hemisphere but look at Eastern Europe, look around the whole world. And human rights are rising up, and pluralism is coming on.

So, let the Nicaraguan people speak to this question. They don't need George Bush telling them how to do it. Let them speak to it, and be sure that the opposition has every opportunity to take their case to the people of Nicaragua. But it's not going to help to have me go through this once again with Mr. Ortega. I had a chance to do that in Brazil. He knows how I feel about it. And everybody knows we have a tense relationship. So, I don't want to act like we're waltzing around there in great harmony, because we're not. And there are so many ways that they can prove that they want to join the family of nations in this hemisphere. Stay with it, and stop subverting El Salvador in the process would be a good way to begin. We stopped a major shipment of arms—interdicted the other day going into El Salvador.

So, I have no agenda with Mr. Ortega. And as he takes a step that might lead to democracy, great, I'm for that. But we're not going to solve any problems there in Costa Rica. I'm there as the guest of the country, guest of President Arias. I wish Mr. Ortega had been there when Arias was sworn in, and I'll tell you why. I realize that the United States has varying degrees of problems in our own hemisphere for a lot of historic reasons. Maybe you were there this day I'm talking about. I represented the United States as Vice President. You had 30,000 people in a stadium in the capital. Remember that day?

Q. The National Stadium.

The President. The National Stadium, exactly. And what you did was to go in there, everybody lined up behind their flag. And

I'm saying to myself, I don't know what kind of reception I'm going to get—the U.S. Stars and Stripes and the Vice President of the United States. I know we've got good relations with Costa Rica, but a lot of other countries represented. I swear to God, to the day I die I'll never forget the reception for my country—it wasn't me. They didn't know who the hell I was. But marching in behind the Stars and Stripes with our little delegation, and people were cheering, and it was democracy. It overlooked any kind of regional differences. And it was so moving and touching. And when the Nicaraguan representative walked in there, they were whistling and giving it the old cheer that you give when some guy gives you a bad call in a soccer game.

And it said something. I'm standing, listening very carefully to this. What are the people trying to say? And it's not "we love you, North Americanos" or anything like this. It was democracy. And it made a profound impression on me. And I don't think there's going to be an occasion for that kind of thing. But if Mr. Ortega had been there instead of his representative, Vice President Ramirez, he would have heard this, and he would have sensed it. He would have understood what the Costa Ricans were talking about when they had this peaceful transition—yet again the will of the people being exercised.

Sorry to end with a lecture, but it's a good ending point because we're not going down there to have some battle with Mr. Ortega. I'm not uptight about his being there. But I'm there to celebrate the Costa Rican democracy, 100 years of it, and to join other democratically elected Presidents in saluting the democracy of this country. And recognizing that it hasn't been easy for Argentina or Brazil or some countries to come out of a different kind of a past, even though the people probably never lost their confidence in democracy. Chile is a good example.

And so, that's what we're going there for. And I just hope that it doesn't get cluttered up by the photographers that work for you guys wanting to see a picture of me and Ortega together. That has nothing to do with democracy in Costa Rica. Nothing. Thank you guys very much, all of you.

General Noriega of Panama

Q. Mr. President, on Mr. Noriega—we each asked our question. Will you answer one question on Noriega?

The President. Yes, be delighted to. He isn't my favorite character, but what is it? [*Laughter*]

Q. You've been criticized in this country—politically and some of the media—for the way you reacted in the coup in Panama.

The President. Yes.

Q. You said that you acted according to what you felt.

The President. I wasn't criticized by any of the Presidents of the countries around this table, I noticed—not one.

Q. Right. But some of the media in this country and some in Congress——

The President. We've got a lot of hawks out here; we've got a lot of macho guys out there that want me to send somebody else's kid into battle. And what I will do is prudently assess the situation at the time, and I've seen nothing in terms of intelligence or fact coming in later that would make me have done something differently. And that doesn't mean that under some provocation or some denial of our rights as the United States of America, that I'd be afraid to use force. But for these instant hawks up there to—those doves that now become instant hawks on Capitol Hill, they don't bother me one bit because the American people supported me by over two to one, and I think I sent a strong signal to the countries represented around this table that we are not going to imprudently use the force of the United States.

If somebody lays a glove on an American citizen there in the Canal Zone or where we have certain treaty rights, then we've got a different story.

Q. Will you participate in the next uprising?

The President. And this man must be brought to justice. This man is an indicted drug dealer. And I haven't changed—you know, one of the hits they gave me is I said that we have no argument with the Panamanian Defense Forces. We don't. And some of our more sophisticated columnists, perhaps who you are referring to, say the minute the President says this, this implies that he's going to use U.S. force. Ridiculous.

I'm not going to do that. But it doesn't imply I'm not going to use force. Look at the situation.

So, I'm not going to say what I'm going to do—force or no force. But there's no implicit guarantee that when some guy jumps up and causes a coup, that the United States is going to send in the SOUTHCOM [Southern Command] forces. So, we took a few hits on it, but not too much. I think it's come out reasonably well. But when I had the Prime Minister of Spain [Felipe González] here the other day, he understood it. And it's very important to me, I think, as it relates to this hemisphere that we all love so much, too.

But this man has to go. And I'll tell you what: The minute Noriega gets out of there, the minute he's gone—unless replaced by a tyrant, so I reserve that—but the minute he's gone, we have instantly improved relations with Panama. We have good relations with the people of Panama. And I'll be darned if we should sit here, as countries that respect democracy, and let this man beat up the Vice President, Guillermo Ford, beat the hell out of him and bleed him out there, to avert democracy. We're talking about the trend for democracy. And Panama is entitled to it. And it can't be superimposed by the United States, but they spoke in a free and fair election, and they are entitled to it. And I'm going to do everything I can from up here. I'm working with our colleagues in the hemisphere, Venezuelan President [Carlos Andres Perez] and others, to try to see that the will of the people is respected.

And Noriega is the fly in the ointment. Many of those Panamanian Defense Force officers were trained in the United States. They're not hostile to us, and we darn-sure aren't hostile to them. But we are hostile to a man who aborts democracy and gets tied up in this international narcotics business.

Q. Will you accept a man named by Noriega as head of the Panama Canal Company, sir?

The President. What's his name? If he's named by Noriega——

Q. Will you support——

The President. —that will give the poor guy—if he's supported——

Q. He's already named him. I don't know his name.

The President. Well, I don't know who it is, either. But I'll tell you, he doesn't have much chance of getting through the Senate. In our system, you've got to go up to the Hill to get something confirmed. And if he goes up under the mantle of Mr. Noriega, he'd get two chances—slim and none. Those are the chances.

Q. Will you support it, Mr. President—the next uprising? Will you support it?

The President. I can't say that. How do I know what it is? I want to see Noriega out, democracy in. And I would give support to something like that. But you can't give a carte blanche. You've got to know what the facts are. And that's why I did what I did in this last thing—or didn't do what some would have me do. The facts were quite different than some of the perceptions. Thank you all very much.

Note: The interview began at 11:38 a.m. in the Roosevelt Room at the White House. A tape was not available for verification of the content of the interview, and this transcript was released by the Office of the Press Secretary on October 26.

Proclamation 6055—Country Music Month, 1989

October 25, 1989

By the President of the United States of America

A Proclamation

With its origins in the folk songs of immigrants and workers, country music boasts a rich heritage as well as a wide audience. During Country Music Month, as we celebrate this uniquely American art form and salute the musicians and audiences who give it life, we recall a proud portion of our history and culture.

Over the years, country music has given eloquent expression to the American spirit. In its simple strains, we hear the voices of a people united by their faith, their love of freedom, and their appreciation for honesty and hard work. Yet, as varied as each of the men and women who compose it, country music also capt
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Remarks at a Ce
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October 26, 198

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p 1786

United Nations Fund, the only organization that has ever been determined to violate that provision. The Fund participates in and strongly defends the program of a particular foreign government which relies heavily upon compulsory abortion. This fund has received no United States assistance since 1985, precisely because of its involvement in this coercive abortion policy. The current bill thus represents radical and unwarranted change in policy.

The Mikulski Amendment is rendered no more acceptable by a clause which requires the Fund to keep its books in a manner so as to prevent the direct flow of United States assistance to the particular foreign government. The current Kemp-Kasten law tells all family planning organizations that they must refrain from supporting coercive programs, or the United States will direct its resources to alternative organizations which respect the fundamental principle of voluntariness. The bill would negate this essential human rights principle through substitution of a simple accounting requirement, and I find this unacceptable. The bookkeeping provision would clearly place the United States in the position of supporting a program that in turn supports coercive abortions, a program that is inconsistent with American values. Such support would undermine our position that family planning must be voluntary and would contradict the human rights character of our foreign policy around the world.

Although these provisions, standing alone, would lead me to veto this bill, many other provisions of the bill also pose constitutional problems. The Administration has discussed those provisions in detail in letters to both houses of Congress.

I look forward to working with the Congress to craft a bill that I can enthusiastically support and to passage of an appropriations bill that will facilitate our many foreign policy initiatives.

George Bush

The White House,
November 19, 1989.

Remarks and a Question-and-Answer Session With Fifth-Grade Students at Pickard Elementary School in Chicago, Illinois

November 20, 1989.

War on Drugs

The President. Good to see you, all of you. Who's going to tell me about what's going on around here? Ana, are you starting, or shall we ask our principal to tell us? Come on, you've said stuff before.

Do you know who came with me? Does everybody know? The Governor of the State, Governor Thompson, who is over here; Congresswoman Lynn Martin, who is a Member of the United States Congress in Washington, but she's from Illinois; and then Mr. Daley, Rich Daley, who is the mayor. You probably see him on television every single night, but I bet you haven't met him before.

Now who is going to tell us some stuff about what you're doing in school here? First place, you all look real beautiful, so I know you got dressed up for me because I don't imagine you wear such a pretty dress every day, do you? No? You say something first, now. You can either ask questions or tell me what you're doing here in school, because I know about the school. I know something about the school. Because you know what I know about it? I know for a fact certain that they've done a wonderful job in joining the war against drugs, and it's not easy. But I know that you all are trying very hard and setting a wonderful example. That's one thing I know about your school. And I also know something else: that a lot of kids come from a lot of different backgrounds. Some from overseas—different countries. And I know that many speak Spanish in their homes. And I also know that you've got a good program in the school to teach people to—so everybody will understand English—get phased in to English.

Now you tell me some stuff. Do you want to go first? Okay.

Q. President Bush, when some people use drugs, about how much do you arrest the people that use drugs?

The President. Well, we're beginning to make the case that the user, the person that

uses drugs, has to pay a penalty. It varies in different situations. But for a long time, everyone felt: Well, we'll just go after the real bad guys, you know, the people that were selling the drugs and bringing the drugs into the country. Well, we've got to do that. In fact, we're working with some of the countries around the world, like in Colombia and Mexico and Perú and Bolivia, to try to stop things at the source. But when people break the law, like in any other subject, they've got to pay a penalty. And that's why I think more and more you're seeing various jurisdictions go after those who use the drugs. Understand that?

Q. Yes.

The President. How about you, Jesse? You got something?

Q. President Bush, how do drugs get into this country?

The President. They get them in through the darndest ways you've ever seen. You know, they make false bottoms into boats. They put them in these great big cargo containers, these great big steel containers, and then seal them. They mix them in plastic bags. They drop them into different kinds of products coming in. They fly them sometimes in airplanes, like little planes, and then drop them out; and they're picked up by boats. They're carried in by people that they call mules. They use human beings to swallow the drugs in a container and then come in like that through Customs and then regurgitate them. All kinds of ways. And it's very hard to stop them. We are not going to win the drug war by interdiction alone. We can do better. I think we are doing better. People are interdicting just tons of drugs. It still comes in. It's an important one.

You know, anybody whose family came from Colombia here, in South America? Nope? Anybody from Mexico? Hey. Well, in Mexico we're having great cooperation now. They've got a new President. And he's working very hard—his military—working with specialists from the United States, from our country, to stop the drugs right at its source, to the degree they come from there—you know, where it's planted there. And then soon I'll be having a meeting with the Presidents of Colombia, Peru, and Bolivia to talk about what else we can do to stop them from—it's a good question, Jesse.

Hey, I've got to see your name and everything. Ricky, what have you got?

Q. President Bush, how can you stop drugs coming to our country?

The President. Well, you've got to stop them by having a coordinated effort along the border, all the law enforcement people working as a team. You've got to do it at sea as best we can, stopping—having the Coast Guard, who is doing a wonderful job. Now with me here was Secretary Skinner, Secretary of Transportation, who has jurisdiction over the Coast Guard. And they have these Coast Guard vessels that stop vessels on the high seas and in U.S. waters. You can do both if you work it out properly. And then they inspect them. Or you get intelligence. You know, somebody will tip you off: There's a shipment of drugs coming in here. And then the agents will be there to greet the shipment and make sure they take over the drugs and penalize the people that are bringing them in.

But there are so many ways, Ricky, that people do that—bring them in.

Q. President Bush, how do you stop drugs?

The President. How do you stop people using them? Well, do like your program in the school. You know, listen to your principal as she teaches everybody in this school to turn their back. There's a lot of programs. There's a wonderful program called DARE, which was started really with the cooperation of the police department. I don't know whether that's working here or not, mayor. But you go to the schools, these police officers who really do a good job, and they teach kids, as you've done here, to say no to drugs. They teach them how to say no to people that come in and tempt you by a better life: We'll give you money. You can have good things if you use them. And then—so, these program teach people to turn away, walk away, even though it's tough.

How about on this side, any questions? Rebecca, you got one? You don't have to. Yes, we'll go with Carlos, Gabriel back there, and then you be thinking. What have you got?

Q. We know that we've got to say no to drugs, but what else do we got to do to stop drugs? What else?

The President. Well, that's a very important thing so you, yourselves, don't do it. If you know friends that are, it's important to talk to them, because they respect you. Sometimes it seems hard to believe, but they respect you if you are saying no, so then you can help them. And then you can come to some teacher and say, look, this person needs help. I tried to talk to them as my friend, but he's caught up in this. And then you can have—you've got wonderful teachers here and you've got a principal, and she can help. Sometimes the church can be helpful—your priest and those sisters or wherever else in your church. They can be extraordinarily helpful. So it's not just yourself, which is very important.

You know, the saddest thing—the saddest thing—is when parents use drugs. And kids are being taught by these wonderful schools, don't use drugs. And yet, then they go home and maybe their parents abuse the substance. And then you have to go to your teacher, or to your priest, or somebody that—your counselor, your drug counselor, and say, I need your help. I want to tell on somebody that my family is hurting their own lives by doing this. That's the hardest kind, I think.

But once you decide you're not going to do it, then I think the answer is—what can you do, Carlos? Reach out and try to help others.

Q. Are you going to stop drugs?

The President. We're trying hard, and we've got a whole program that has national support. And it is more than rhetoric. We're trying to change the laws. We're getting good cooperation from the Congress. You have mayors like your mayor, who is determined—Mayor Daley out there trying to do everything he can through education and through his police. And Governor Thompson took the lead on a statewide antidrug approach. So, it's a combination. It's not just Washington. And this is important because people think the President of the United States—he can do everything. A lot of people think that. But there are certain limits on what you can do. And this one is not going to be won unless it starts in the classroom or in the home and it goes to the city. And you've got a mayor that cares. He's really trying.

You go to the State—the man who has to be responsible for every city and town—a Governor that cares. You go to the Congress, where you have Congresswoman Martin, who cares and who takes the lead in legislation and, certainly in her case, in education. She used to be a teacher. So, she can help take the message out all across the State of Illinois and, in her case, nationally; to help each other to do it, to stay away.

Q. How long have you tried to stop drugs?

The President. How long? Well, you know, it's funny because when I was little, there probably—that was a long time ago—there probably was drug use. You go back into history—there's been drug use long before now, but it's only in recent years that it's become a major national problem. In fact, some people used to think it was funny. And you'd see in movies—you'd see people who had used some terrible drug, and people would laugh about them instead of condemning. So, it's changed.

But I guess, officially, my major responsibility started when I was Vice President. I was elected Vice President in 1980, when you were a tiny baby—not so tiny baby—and then I had some of the area that I had some responsibility for was getting all the agencies in the Federal Government to try to interdict drugs, to try to do what Ricky asked about: to stop them from coming in. And yet they still come in. It's got to be done—try to stop them from coming in and then try to get people on what they call the demand side—just turning your back on it, saying no, and helping others learn to do that.

The Presidency

Q. Are all the Presidents rich? [*Laughter*]

The President. No. In our history, some didn't have much money at all. And that certainly should never be a requirement. I hope that some people are thinking, just because we come here, you see, maybe I'll be President someday. Do you ever think about that? You should because it's fun to dream about stuff.

Q. How does it feel to be President?

The President. Sometimes it feels good, and sometimes it feels less good. But most of the time, it's wonderful because I like my

job and I like a lot of parts of it. Some of it I don't like. There are some parts I don't like. But I like what I'm supposed to be doing, and so does my wife like—she's trying to help people on literacy. And I like this part of the job. You meet people. And you can say to a school principal, and hope that people hear it all over the country, Hey, you're doing a first-class job. And so there's some wonderful things.

You know what I got to do? Some of the boys are interested. Just before I came here, I got to meet the quarterback for the Denver Broncos football team. And I know Mike Ditka, and I know some of the others. So, I get some fun stuff to do in sports. Then you think: You're President; you think you're helping.

We're going off to meet Mr. Gorbachev, and in a week or so you're going to be reading all about that because it will be in every paper. And why are we doing it? Well, we're trying to make the world a little more peaceful. We want it to be a place where you grow up—that you don't have to worry about having to go off to war. You can think about what this guy's thinking about—maybe getting to be President or maybe getting a good education or going out and helping others.

Q. How come you became President?

The President. How did I get to be President? Well, I was in politics a long time, and I was in business, and I worked hard. I decided in the late seventies that I wanted to be President, and then I went out and worked for it. And I had a lot of help. You can't do it alone. You get help. Your Governor helped me; and this Congresswoman, Lynn Martin, was extraordinarily helpful to me. And then people that aren't in office—they helped. So, you have to get people behind your case and your cause. In my case, I ran and lost for the Senate, for example. I got up—friends pick you up, dust you off, put you back in the game, and you try again. Then I ran for President and lost in 1979. And then President Reagan suggested to our convention that I be Vice President, and then we were elected. And then for 8 years I was Vice President. And then I ran again.

So, it's that way. But you have to work at the grass roots; you have to care about people, I think. But you have to be willing to try, to risk something. And you've got to learn that if somebody says something ugly about you, don't worry about it. I used to be very worried when I was much—15, 20 years ago. Somebody said something that was critical, I would worry about that. I don't worry about that any more. So, you have to have a fairly thick skin, but never so thick that you don't care about people.

You think you're going to give it a try some day? Maybe? I hope so. I bet you'd be good.

Representative Martin. Mr. President, can we ask the kids something just because they've been such wonderful kids?

The President. Yes.

Representative Martin. How many of you have ever seen or know about drugs in your neighborhood right now? So, see, they're kind of our frontline troops, aren't they?

The President. Yes, they are. People try to sell them to you and stuff? Or get you involved in it some way?

Representative Martin. There's a generation that can make a difference.

The President. Yes. Good luck.

Millie, the President's Dog

Q. How is your dog doing?

The President. How's our dog? Oh, she's wonderful. I don't want to say this in front of anybody, but I had to take her into the shower yesterday and give her a bath because she rolled in something bad. I mean, really bad. [*Laughter*] And so, Barbara, my wife, said "Would you mind giving Millie a bath?" So, even when you're President, you've got to do some stuff that isn't too good or fun. But when she slept up on our bed last night, she was very clean, and she smelled real good.

Okay, we'll see you.

Q. How many puppies did Millie have?

The President. Millie had six puppies. She had five daughters and a son. And the son—he's now 8 months old. And he's much bigger than Millie, and he plays with her. And we had her up at Camp David, and they run through the woods looking for things. But there's some bad news. See that rabbit over there? Don't let him out if Millie comes to this school, okay? [*Laughter*]

The other day—I wouldn't say this, because I know they won't report this—but the other day, running through the woods, Millie caught something, and Mrs. Bush said to the Secret Service man, "What is that?" And the Secret Service guy said, "A bunny." She had caught this bunny.

Okay, we'll see you all.

Q. Bye.

Note: The President spoke at 10:40 a.m. in Room 305. Ana Zamora, a student in the class, wrote the President about the pervasiveness of drugs in her neighborhood. In his remarks, the President referred to Sylvia F. Asllani, the school principal, and to Jesus Castro, Ricardo Ramirez, Rebecca Cervantes, Carlos Guttierrez, and Gabriel Ortega, fifth-grade students.

Remarks at an Antidrug Awards Ceremony at Pickard Elementary School in Chicago, Illinois

November 20, 1989

Well, first of all, let me just thank your principal, Mrs. Asllani, for the hospitality. You know, the minute we walked into this school, we were made to feel at home. And some of it is because of your principal, some because of the other wonderful teachers here, and a lot of it just because of the warm welcome that we all felt when we saw the signs and the posters and all of that. So, it makes a difference. And for those who participated in all of that, my heartfelt thanks.

I want to just refer to the people here with me: Sam Skinner—he's the Secretary of Transportation. He's a member of the President's Cabinet. We talked about drugs in the classroom. He's in overall charge of the Coast Guard. They're the guys—a lot of them out at sea—trying to do the job on stopping drugs. He's doing a wonderful job. Governor Thompson, the Governor of the whole State. And in this drug area, why, he put on a major effort to get Illinois to have its legislation right out front of the Nation—did a great job. You all know, because you see him every single night on television, I bet you, Mayor Daley. And he's fighting hard at the local level to work with the police officers and the families to do a good job on fighting drugs. Congresswoman Lynn Martin—she used to be a teacher, so she understands a lot about how it works in school. And now she's a Member of the United States Congress, a real close friend of mine, a real leader. And she understands the problems of young people in this country—working to help. And Jim Ryan, a State's attorney, is here. I, too, want to say hello to McGruff's master, Officer Oliveri, and even—Oliveri over here and McGruff himself here.

So, thanks for the welcome. Also, we've got to give one more round of applause. We have to do this because when I looked at these winning posters I saw so many that could have won. And I think these winners need one more round of applause for what they've done. [*Applause*]

All of these posters, these ones right here behind, show that this school understands that drugs and crime are bad; and you've got to keep on understanding that. We asked how many kids in the other room—Lynn Martin did—how many had been exposed to drugs. Many hands went up. And that means that the pressure is still on out there, so you've got to follow through on what you've learned in this school.

I'm here today, as your principle alluded to, because you, the students of Pickard Elementary, cared enough about the problem of drugs in your community to write the President of the United States. Well, I'm responding to those letters, and as she put it, you have been heard. And I'm just delighted to be with you.

For the younger ones here, how many of you have ever heard the story about the little train that could? I bet you have. I hope you have. But Pickard is the little school that could. And all of you have said no to drugs, and you've said yes to education. And you've refused to be defeated by marijuana and crack and terrible gang violence. And instead, you've chosen to succeed by studying, obeying your elders, and having enough pride in yourselves just to say no to drugs.

And so, I'm delighted to have had this chance. Somebody asked me: Do you like your job as President? You might think it's

the United States of America the two hundred and fourteenth.

George Bush

[*Filed with the Office of the Federal Register, 4:47 p.m., December 11, 1989*]

Remarks at the Swearing-In Ceremony for Catalina Villalpando as Treasurer of the United States

December 11, 1989

The President. Greetings to the Secretary of the Treasury and my Senator, Senator Phil Gramm, and of course, our star, Cathy Villalpando. Delighted. Ambassador, nice to see you here, our Ambassador from Mexico to the United States, Ambassador Petricioli, a good friend of our country. Delighted you came, sir.

And of course, needless to say, I'm pleased to be here for this special ceremony. This remarkable woman, who is going to be sworn in as the Nation's 39th Treasurer, is no stranger to big challenges. Private sector, government service, Cathy Villalpando has brought knowledge and enthusiasm and a lot of savvy to whatever task was at hand. Many knew her as the skilled representative of a dynamic telecommunications firm. Many others, including me when I was Vice President, worked with her and remember her service for President Reagan as Special Assistant for Public Liaison, a big task, tough job.

As U.S. Treasurer, she will advise Secretary Brady on coinage and currency matters, as well as the important savings bond program. And she'll also oversee the U.S. Mint and the Bureau of Engraving and Printing, take the lead on important work regarding advanced counterfeiting deterrence.

During her White House service, Cathy demonstrated outstanding creativity in working on issues of direct importance to our nation's Hispanic citizens. And she has also been an active hard-working leader in political and civic campaigns too numerous to mention and has been chairman of the Republican National Hispanic Assembly.

Her skills are formidable, her administrative skills, well-known. So, it's a pleasure to welcome you to this team, and I am confident that you will provide the kind of leadership that has a rich heritage dating back to September 1777, and I'm confident you're going to do an outstanding job.

Secretary Brady will now administer the oath of office, and I am proud to be a witness, Cathy.

Treasurer Villalpando. Thank you, President Bush. Thank you Secretary Brady, Senator Gramm, and also Congressman Bartlett from Dallas is here, a long-time friend. Thanks to all my family for being here today, my business associates, my friends and all supporters.

I look forward to working for the President, the Secretary, to the best of my ability during my tenure as 39th Treasurer of the United States. It is truly a distinct honor to be a co-signer of the currency and to be selected to oversee the Bureau of Engraving and Printing, the United States Mint, and the savings bond program.

This will be a great challenge for me and my new staff. It will be filled with opportunity for growth and deepening dedication, attributes the Department of the Treasury under the leadership of Secretary Brady is already recognized for.

I'm grateful to all of you for being here this day. To my grandmother, my parents, my sisters, my brothers-in-law, and my uncle and his wife. To my business partners that soon will be former partners, my new associates from Treasury, and to all my friends and all Bush supporters. Thank you so much. And a special thanks to God for making this happen. And Mr. Chairman, from the RNC, I know that you worked very hard on this. Thank you very, very much from the bottom of my heart.

Note: *The President spoke at 10:22 a.m. in the Indian Treaty Room of the Old Executive Office Building. In his remarks, he referred to Secretary of the Treasury Nicholas F. Brady. In her remarks, the Treasurer referred to Lee Atwater, chairman of the Republican National Committee.*

p1145

Remarks at the Annual Meeting of the Boards of Governors of the International Monetary Fund and World Bank Group

September 27, 1989

Thank you all very much. Thank you. And thanks especially to my good friend, our Secretary of the Treasury, Nick Brady. And thank you, Nick, for your outstanding economic leadership.

Chairman Lee and President Conable, Mr. Camdessus. It really is a pleasure for me to be here and to welcome you all to Washington, DC. And it's a special privilege for me to be here in the company of my old friend, former Congressman, now President Barber Conable. We in the United States are keenly aware of these annual gatherings, the importance of them—you drive the work of all of us in maintaining a strong international economic and financial system.

And this is my first opportunity to speak to you as President of the United States. But I've followed the activities of the International Monetary Fund and the World Bank throughout my years of public service. And I have visited many of your homelands, and seen firsthand the problems created by inadequate growth and development, problems that your two distinguished institutions are working hard to solve.

We've witnessed a dramatic shift over the past few years in the debate over how to achieve sustained growth and development. All across the world, there's been an almost simultaneous rediscovery of the power created when individuals are given the freedom to act in their own best interests. True, we're here today mainly to discuss economic freedom. But make no mistake. In the end, both economic freedom and political freedom are essential and inseparable companions on the road to national prosperity. The jury is no longer out. Look at the two economic systems and see who has prospered and who has struggled. Let's put an end to this economic experiment. Because history has decided.

It is not climate, natural resources, or cultural traditions that make the difference. I said it in my own inaugural address: "We know what works: Freedom works. We know how to secure a more just and prosperous life for man on Earth: through free markets, free speech, free elections, and the exercise of free will unhampered by the state."

In Latin America, in Africa, Mexico, courageous leaders are turning away from state control of their economies. Economic restructuring and deregulation are opening the door to private initiative. And already they're seeing results. Even more stunning is the transformation in thinking in the Communist countries—in both the Soviet Union and in Eastern Europe. During my recent travels in Poland and Hungary, I was impressed by the people, but also impressed by the almost universal acceptance of the free market as the best hope—indeed, the only hope—for reversing the economic fortunes of these two proud countries. And we will welcome the efforts of the Soviet Union to liberalize and decentralize their economy. I have said many times—and I want to repeat it here today—that I want to see *perestroika* succeed. A more open and humane Soviet Union can only be in the best interest of the West. And as we see the evidence of that reform, we can match it with steps of our own.

The rediscovery of these basic truths in the East has been matched by a recommitment to them in the West. Today the members of the European Community are dedicated to eliminating internal barriers to economic activity by the end of 1992. And Europe's leaders assure me that this will not be at the cost of new external barriers to trade with the EC. The Peruvian economist, Hernando de Soto, has helped us understand a worldwide economic phenomenon. By walking the streets of Lima, not analyzing official statistics, he found that the poor of Latin America—who have never read Jefferson or Adam Smith—ran their affairs democratically, outside the formal economy, organizing their private, parallel economy in a free and unregulated manner. De Soto's great contribution has been to point out what, in retrospect, may seem obvious: People everywhere want the same things. And when left alone by government, people everywhere organize their lives in remarkably similar ways. De Soto's prescription offers a clear and promising alternative to economic stagnation in Latin

America and other parts of the world. Governments must bring the "informal" workers into the regular economy and then get out of the way and let individual enterprise flourish.

We each must do our part. And yes, the industrial countries have a special responsibility. We must coordinate economic policies to help provide sustained growth with low inflation, reduced trade imbalances, and greater stability in exchange markets. We in the United States are working especially hard to reduce our own Federal budget deficit and to increase our national savings rate. All our nations have a responsibility to ensure a fair and open trading system. And we have a tremendous opportunity to advance that cause now, by making success of this all-important Uruguay round of trade negotiations. Making the political commitments necessary to ensure a success—look, they will not be easy, but we must strengthen the GATT [General Agreement on Tariffs and Trade] and allow our markets to open in a mutual, step-by-step fashion.

As we seek to extend and expand growth in the world economy, the debt problems faced by developing countries are central to the agendas of the IMF and the World Bank. Over the past year, the international community's strengthened approach to these problems has truly provided new hope for the debtor nations. America's Secretary of the Treasury, Nick Brady, has helped direct the focus on debt reduction as a complement to continued new lending—bringing developing nations and commercial banks back to where they belong: back to the negotiating table. Quick action by both the IMF and the World Bank has given this new strategy vital support. By making clear the terms under which they will support the reduction of debt burdens and by working with countries to develop the necessary economic reform programs, these institutions have made it possible to reduce debt burdens and provide a solid foundation for growth.

Thanks to these initiatives, Mexico reached an agreement with its creditor banks enabling Mexico to make enormous progress in reducing its debt burden. It also helped restore—almost instantly—restore confidence in the Mexican economy. And it's already resulted in a return of capital and new foreign investment. This agreement underscores the benefits other debtor countries stand to realize from this approach. Mexico's savings from this package will free resources for productive use in the economy, leading to increased investment, leading to improved growth. What Mexico has done is not a miracle; it's a product of hard work and sustained commitment.

The strengthened debt strategy is flexible enough to address the unique needs of each country. But the strategy will not work without sound economic policies in the debtor countries. Inefficient, unrealistic, growth-stifling policies simply must go. Benefits are available to a broad range of other countries that pursue economic reforms. Several are now actively engaged, I'm told, with the IMF and World Bank, and with the banking community itself. Commercial banks have a special role in making this process work. And they must follow through on efforts made with Mexico and the Philippines, and broaden their efforts with other countries.

We encourage these steps not as self-sacrifice but self-interest. True, success not only will help the debtor nations. But it will also strengthen the banks, by putting their own portfolios on a sounder basis. One of the lessons of the 1980's, especially the debt crisis, is that we're all in this together. And when we cooperate, we all come out winners. The IMF and the World Bank are at the crossroads of our cooperative efforts. The IMF must continue to foster the sound economic policies necessary for sustained growth. As part of that responsibility, the Fund has assumed an important and very welcome role in the strengthened debt strategy.

The United States recognizes that the IMF must have adequate resources to fulfill its critical role. And we will continue to work with other members in the hope of reaching a decision on the quota question—on quotas by the end of the year. The United States has always supported the IMF, and we will continue to do so. We'll all look to the World Bank to help build the foundation for a future global prosperity that reaches all peoples. Its efforts to promote structural reform and development

are absolutely crucial to resolving debt problems. The Bank's decisions to take on new responsibilities on the debt front are very welcome. Also, to address the significant problems of the poorest countries, the International Development Association, IDA, was established and will continue to have the support of the United States.

We have also learned, as I emphasized Monday at the United Nations and last summer at the Paris summit, that environmental destruction knows no borders. To make growth truly sustainable, we must weigh environmental considerations more heavily as we make economic decisions. And we must also find ways to strengthen our environmental and development efforts through innovative thinking, such as the "debt for nature transactions." Over the years, as we've come to understand the effect of environmental destruction on the long-term growth of developing countries, the World Bank has increased the priority it assigns to environmental concerns. We applaud those efforts. But there is more to be done. We need to work more cooperatively to develop constructive solutions to global warming, including measures to promote energy efficiency and conservation and greater protection of forest resources.

In addressing the challenges of the 1980's, we have come to a deeper understanding of the importance of cooperating as a community of nations to address common problems. I can think of no better current example than the need to work together to deal with international drug trafficking and money laundering. It is a worldwide problem. Drug money undermines honest businesses, corrupts political institutions, and even threatens the security of nations. To conceal their obscene profits, drug barons must wash their money by cycling it through financial institutions and illegitimate shell corporations. The United States renews its call upon all countries to ratify the United Nations Vienna Convention, and make money laundering a criminal and extraditable offense. We need tough measures to crack down and track down and confiscate the profits of drug-related crime.

I am encouraged by the G–7 [Group of Seven] democracies interested in this coordinated response to the money laundering menace. But I urge everyone to join with us to explore new ways to stop money laundering in its tracks.

And there may be no greater opportunity before us—all of us—today than the challenge of Poland; and then on the broader landscape Eastern Europe, the entire Eastern Europe, where countries are in the throes of dramatic political and economic change. The United States and its international partners have already undertaken new initiatives toward Poland. But now, in the light of clearly growing needs, the recent accession of a Solidarity-led government, and our self-evident stake in its success, we must do more. We understand the Polish Government has under consideration a bold plan for economic recovery. And I call on the IMF and the World Bank to work rapidly with Poland to develop such a program and ensure its successful implementation. For its part, the United States intends to be out in front of this effort, to take advantage of this historic development and to ensure its success.

Today our mutual efforts to improve global growth, to ease the burdens of developing countries—their indebtedness, and to open markets for trade have demonstrated anew that progress is best achieved by facing pressing issues together. This is a lesson that we must carry with us into the 1990's if we are to pass on to future generations a global economy that is strong and resilient and able to provide for the aspirations of the citizens of all our countries. Thank you very much for your hard work. Thank you for your service. Thank you for your commitment. God bless you and the nations that you represent. Thank you very much.

Note: The President spoke at 9:32 a.m. in the ballroom at the Sheraton Washington Hotel. In his opening remarks, he referred to Kyu Sung Lee and Barber B. Conable, Chairman of the Board of Governors and President, respectively, of the International Bank for Reconstruction and Development; and International Monetary Fund Managing Director Michel Camdessus.

Remarks c
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November 2, 1990, Friday, Late Edition - Final

SECTION: Section A; Page 6; Column 4; Foreign Desk

LENGTH: 346 words

HEADLINE: MEXICAN ADAMANT ON CONTROL OF OIL

BYLINE: By MARK A. UHLIG, Special to The New York Times

DATELINE: MEXICO CITY, Nov. 1

BODY:

President Carlos Salinas de Gortari today strongly defended his ground-breaking efforts to open the Mexican economy to the outside world.

But he emphatically rejected any weakening of Government control over the country's lucrative oil industry, and pointedly asserted that any liberalization of Mexico's tightly controlled political system would remain an exclusively Mexican affair.

Speaking before more than 2,000 Government officials, legislators and dignitaries in his second annual State of the Nation address, Mr. Salinas said an open economy was vital to protect Mexican competitiveness in the face of a rapidly changing world.

But he asserted that the Mexican political system, which has long been dominated by his Institutional Revolutionary Party, was "not subject to external evaluation."

Remarks on Oil Applauded

"Our democracy is sovereign," Mr. Salinas declared. "There are no limits placed on discussions of our democracy, but there is only one definitive judge, and that is the Mexican people."

As in the past, Mr. Salinas's comments on politics were greeted by howls and hoots from opposition politicians, who have accused the ruling party of widespread fraud and asserted that the President rose to office in a fixed vote in 1988.

At several points during the speech, opposition congressional delegations in the audience began heckling Mr. Salinas with chants of "fraud" and other political epithets, at times forcing him to stop speaking.

But Mr. Salinas drew general applause for his adamant position on Mexico's state-run oil industry, which many Mexican politicians and commentators believe should be excluded from talks toward a new free trade agreement with the United States. And the language of his address, which is closely watched for clues to future Government policy, seemed to leave little room for compromise on the oil issue.

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"I want to confirm the fact," Mr. Salinas said, speaking about the trade talks with the United States, "that Mexico will maintain its ownership and complete dominion over hydrocarbons."

SUBJECT: OIL (PETROLEUM) AND GASOLINE; INTERNATIONAL TRADE AND WORLD MARKET

NAME: UHLIG, MARK A; SALINAS DE GORTARI, CARLOS (PRES)

GEOGRAPHIC: MEXICO; UNITED STATES

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pg 107

6. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

George Bush

The White House,
January 25, 1990.

Remarks and a Question-and-Answer Session at a Luncheon for Newspaper Publishers

January 25, 1990

National Drug Control Strategy

The President. Well, please be seated, and please continue with your coffee. But it's an honor to have you all here. There may be no group in America more aware of the challenges this country is facing. So, my first thought was to give you a general outline of our agenda after our first year. But then I decided to focus on the first item on the domestic agenda: illegal drugs. And they remain this nation's number one concern, and so, I chose this forum to announce the second phase of our fight against drugs. This booklet is on our National Drug Control Strategy that I hope we can get distributed to all of you.

As you know, last September for the first time, we launched a comprehensive, coordinated and, I think, coherent national strategy to stop the distribution and use of illegal drugs. We've made some notable progress in the months since that plan was unveiled. Attitudes continue to change. Here in Washington, the number of those arrested who test positive for drugs has dropped dramatically over the past 3 months, especially among juveniles. And abroad, Colombia has extradited 14 of the world's major drug merchants to stand trial here in the United States.

Given the headlines we've seen recently, though, it's clear that we're only really getting started. And the plan we laid out last fall outlined what we intend to do. And today I want to announce the second phase, as I said, of our strategy which explains how we intend to do it, agency by agency, task by task, dollar by dollar. And today we're releasing what I think of as a blueprint for success.

Our outstanding Director, Bill Bennett, the Drug Control Policy Director, will discuss the program later in depth. Right now, I want to sketch out, if I might, a few highlights and then open the floor to questions.

Our approach remains consistent. We're committed to the same aggressive goals and principles that we outlined last September: to reduce use through an integrated mix of supply- and demand-side approaches. And that means doing everything that works.

Our strategy calls for about a third of its funding to go toward drug education, prevention, treatment, and research. We're calling for more prevention programs in schools and workplaces, as well as grants for communities to set up education programs. In our treatment strategies, we're also emphasizing what works with careful and constant evaluation of treatment regimes and a new Office for Treatment Improvements at HHS [Department of Health and Human Services].

We're funding new research in areas like law enforcement technology, treatment, and drug use forecasting that will help us spot trends and then target our resources and measure the impact of our strategies. And this spring, we're going to be releasing the first of an annual, State-by-State status report measuring progress.

Roughly another third of the budget is devoted to domestic enforcement, prosecution, incarceration. To help local law enforcement initiatives, the '91 fiscal budget calls for nearly $500 million for State and local law enforcement grants, an increase of 228 percent over the last 2 years. We want to get the right resources to the right people, on the right level: street level.

Today we'll be announcing five high-intensity drug trafficking areas, cities and areas that are already doing a great deal, but need more support. We want to help

them map out a more comprehensive, coordinated approach to fight drugs.

We're also increasing the number of DEA [Drug Enforcement Administration] and FBI [Federal Bureau of Investigation] agents and personnel, as well as more funding for assistant U.S. Attorneys. We support an increase in Federal judgeships. We're proposing the death penalty for drug kingpins and those responsible for drug-related killings and, even in some cases, attempted killings. We want there to be absolutely no doubt about the certainty of punishment.

The final third of our budget is earmarked for border interdiction and the international operations side. We want the multinational criminal organizations that produce and distribute drugs to be more than disrupted: we intend to see them dismantled and destroyed because we don't make deals with these dealers.

We have multilateral programs underway in many parts of the world. Throughout Central and South America, particularly, we're engaged in expanded and unprecedented levels of cooperation and assistance. We applaud the efforts of President Virgilio Barco of Colombia and also of our neighbor, President Salinas of Mexico. And I will reinforce our support for the courageous leaders of the region at the upcoming drug summit in Cartagena.

Among the steps we're taking to intensify border control, up to an additional 1,000 custom agents, who are already on the job, will be given authority to conduct drug investigations to better assist the DEA, the Drug Enforcement Administration. With interdiction in particular, coordination is absolutely crucial. We're putting an end—I hope and I believe we are—putting an end to turf battles. I met with all our top law enforcement people the other day, and they said they had never seen better cooperation between these—powerful in some instances—but between all the agencies.

Our budget for all international activities has increased from $419 million to nearly $700 million. We're creating a new National Drug Intelligence Center, to ensure all enforcement agencies get the strategic and organizational intelligence that they need. Treasury's newly created Financial Crimes Enforcement Network will improve financial intelligence. And the Department of Defense has been increasingly effective in its expanded detection and monitoring roles.

Now, I imagine the news in this chapter of the war on drugs may be its price tag. Spending, understandably, gets a lot of attention. In this case, outlays continue to increase. But I want to emphasize our determination to win this fight without adding to the budget deficit and, yes, I repeat, without raising taxes.

In 1990 drug funding totaled almost $9.5 billion—that was in 1990, the largest increase in history. Funding for fiscal '91 will be expanded by more than $1 billion, to over $10.5 billion, and outlays will increase 41 percent this year. In fact, with this request, the Federal drug budget will be 69 percent higher than it was when I took office in 1989.

To those who say that our program looks top-heavy on the interdiction side, remember that many of the efforts to limit supply are exclusively Federal and inherently more expensive than demand reduction. We're willing to spend more to limit the drug supply. Simply put, we're willing to do whatever it takes.

But the real issue, of course, is not how much: it has got to be how well. And here the distinction between Federal and national is crucial. A truly national drug control strategy demands that we tap resources of every description—public and private; civilian and military; local, State, and Federal; volunteer, professional, and personal.

Let me tell you about a man that I know many of you in this room know, but some may not, Jim Burke, a corporate leader, former CEO of Johnson & Johnson, who's been applying the power of the media to unsell drugs through the Media Partnership for a Drug-Free America, the largest volunteer, private-sector ad campaign since the war bond drives of World War II. He's energized, and he's doing a superb job.

You're all familiar with those hard-hitting ads to discourage drug use. Many of you already contribute space to run them. And that's supporting the Partnership's current goal to raise $1 million a day in advertising time and space every day for the next 3 years—a remarkable goal indeed.

I know that some of you—Joe Williams, of the Memphis Commercial Appeal, to take a notable example—has made a promotion of voluntarism an important part of your newspaper's mission. And that's also very, very important. A free press has a right and a responsibility to comment and report on a nation's problems. But your newspapers may also contribute to the progress of the communities they serve by pointing to solutions. And there may be no better outlet for America's volunteer effort, volunteer spirit, than saving those being lost to drugs. It's too early to tell how our efforts will be judged, but if more concerned Americans become involved Americans, I believe we will succeed.

Today I'm particularly interested in your thoughts and your ideas, so I'd like to open up the floor to suggestions, but certainly we'll be glad to answer questions on this subject or any other subject that enters your mind. And if it's highly technical, I may, if you'll excuse me, rely on my strong right arm, Bill Bennett.

Federalism

Q. Mr. President, you mentioned increasing spending without increasing the deficit. Do you agree or disagree with the principle that if the Federal Government mandates a program, be it in drugs or in other areas, the Federal Government also ought to provide the resources for accomplishing the goal rather than shifting the burden down to other levels of government?

The President. I am concerned about mandated programs. I particularly got this driven home to me at the recent educational summit in Virginia. The subject wasn't simply drugs, although there was a lot of discussion about it there. And they were pleading for flexibility. And I think Bill Bennett has tried to build into our requests a certain flexibility for local areas. And that's a hallmark of our philosophy here: to reduce the number of mandated Federal programs because they do not take into consideration the diversity of this country and the diversity of the communities in the country.

Legalization of Drugs

Q. Mr. President, George Shultz [former Secretary of State] has just linked his considerable prestige to the ranks of those advocating the legalization of drugs. What do you feel are the most cogent arguments against these growing numbers of people advocating decriminalization?

The President. I just think that it would increase, regrettably, the habit; and I strongly oppose it. Bill has very forthrightly been speaking out against it. And I'm just going to hold the line against legalization.

National Drug Control Strategy

Q. Mr. President, what criteria were used to determine which five cities are going to get special attention under your proposal?

The President. May I defer to Bill on that?

Director Bennett. A number of things, but principally we use the FBI and DEA, Drug Enforcement Administration's, criteria for investigation—Level One, Level Two, Level Three—various levels of investigation and intensity—that is how many cases in major drug trafficking they have in certain areas. The areas we've designated are all Level One areas; that is, areas where we think we will find the greatest concentration of major drug trafficking organizations.

The President. You'd better—while you're standing—maybe—that was very good—[*laughter*]—I may need more support. But please, ask as technical as you want.

Arrest of Mayor Barry of Washington, DC

Q. Mr. President, did you know in advance, sir, about the sting operation that led to the arrest of the mayor of Washington the other night? And can we ask you, sir, what was your personal reaction when you heard that the mayor of the town you live in had been arrested for drug——

The President. The answer is: No, I didn't. And the second part of the question is: great sadness, great tragedy. I think it would be most inappropriate for a President to prejudge a matter that's obviously in the courts, and I'm going to refrain from doing that. But you know what, my thought went to the kids in the schools. And it's a matter of sadness. And Barbara shares my view on that.

State of the Union Address

Q. Mr. President, what other areas of interest can we watch for in your State of the Union Message?

The President. Now, Jerry—[*laughter*]—you know that it seems that we're getting close to the date of that, but it is not in final form. And I'll just give you a little insight into the thought process. How much do you dwell on a shopping list of things that I want to see accomplished, a legislative shopping list? And how much emphasis do you place on the state of the Union? It's almost state of the Government versus state of the Union. And I've never been accused of being an overly eloquent fellow, but I am optimistic about our country, the state of the Union. And that isn't to say that I'm not deeply concerned about some of the problems.

We had a fascinating discussion at our table on environmental concerns and how you balance them with a person's right to a job in an expanding economy. And I guess I'd have to say the final draft has not been worked, but I expect you will see a combination of—I wouldn't call it a shopping list, but certainly spelling out what I think should be priorities for the state of the Government and what I'd like to see the Federal Government do, and then on a broader sense, my perceptions and observations about the state of the Union.

And I'll tell you, having visited with some of the families of the fighting men that went down to Panama, I have a renewed feeling that the country is going to be in pretty good shape down the road if we can handle our part of the Government right. I mean, there's a wonderful feeling in some parts of this country. And that isn't to say there's not a lot of hopelessness and a lot of despair that goes with some of these enormous social problems. But the underpinnings of the United States, the state of the Union, is not bad.

When you look around the world and see these countries coming our way—democracy, freedom—and then see the younger generation willing to serve as they do in a voluntary way with the courage and the patriotism that some of these kids showed in Panama, I'll tell you, there's something happening that's good about our country.

Soviet Reforms

Q. Mr. President, on a little different subject, a couple of respected Sovietologists lately, notably George Kennan and Mr. Brzezinski, Mr. Kennan has said that Mr. Gorbachev's position is precarious. Mr. Brzezinski has said the Soviet system is doomed. How do you react to those statements?

The President. Which were the two? I heard somebody saying that the Soviet system is doomed.

Q. Brzezinski, I believe, lately. And Mr. Kennan, George Kennan, said that Mr. Gorbachev's position was precarious.

The President. Well, on the Soviet system doomed, I think Mr. Gorbachev has already, in strongly supporting *glasnost* and strongly supporting *perestroika* has confirmed the fact that the Marxist-Leninist model simply does not work. And all you have to do is look at an economy that's in egregiously bad shape and you'll understand why he's reached that conclusion. And then if you needed additional confirmation, all you have to do is take a cursory look at Eastern Europe and you'll see that people are opting for pluralism and for openness, *glasnost,* and for reform. So, I think that's a given, that's obvious.

In terms of Mr. Gorbachev, I was asked yesterday about it, and I said I want very much to see him succeed. I think he has conducted himself in an extraordinarily difficult situation very well. He remains committed to peaceful change, and I don't think anyone is faulting him for the difficulties that he's encountered in Azerbaijan. You see blockades of your ports, and the man has to respond. I'm not encouraging that course because we would like to see peaceful change wherever possible. But in talking about the ferment for change in the Baltics, he still is talking peaceful change. And I think he's done a remarkable job. It's not for some President of the United States to start saying who he thinks ought to be in that job. But as I look around, I think Mr. Gorbachev is really the best hope for what our interests are. We want to see peaceful change continue. We want to see the democratization of Eastern Europe. We want to see openness bring about market force economies inside the Soviet Union. And all of these things, I think are in our interest.

Now, it is my hope that he will emerge, that they can get this recent disorder under control and restoration of peace there and

tranquility, and then that the process can go forward in a democratic mode, a more democratic mode. So, I wouldn't speculate on totality of survival, but I think we have a lot at stake in continuing to deal with this man.

Defense Budget Cuts

Q. Mr. President, on the subject of defense, you have suggested that we will probably have to cut back on the budget in that area. And in order to help the Soviet Union, this cutting of the defense will affect our industries, such as shipbuilding industries in Boston, where we build outstanding cruisers. What are your plans if you have to do that to help these industries and the labor people that are employed there?

The President. Where bases have been closed there has often resorted vigorous private enterprise activity. I was asking about this, because under the Base Closing Act, we've had to make certain suggestions, and the Defense Department is wrestling with this whole concept of what facilities will remain as fully funded in the future as they have been in the past.

So, I think a lot of what the best thing a Federal Government can do is keep a strong and vigorous economy so you can accommodate private sector productive growth where theretofore there has been a government activity of some sort. So, it's that. I think there are government programs to help transitions, to help the States in transition, and of course, I want to continue those.

But let me simply say this, we're all familiar with what happens. Everybody says cut, and then when somebody has to make the call, they say, Please cut in this other guy's district; don't cut in mine. Mine's absolutely essential. And I was guilty of the same thing when I was a Member of Congress, and so I understand it. [*Laughter*]

But I think we have an able team. I think we have a team that is committed to working with the key leaders in the Congress, in the opposition party, and I think we can come up with a formulation of where we have to cut, doing it in way that we don't cut into the muscle of our defense, the muscle—we may need a different kind of force in the future. As the threat diminishes in Eastern Europe, we may need a more rapidly deployable force. But it's got to be robust, it's got to be well-trained, it's got to be highly professional. So, I just want to be sure that we do this not on just kind of a squeaking wheel political way, but that whatever we do in the future is done in a very thoughtful and, I would add, compassionate way where we do help the communities as best we can to move into this era of change, but also remember, still, an era of challenge.

Rural America's War on Drugs

Q. Mr. President, on your drug program, I'm from Chambersburg, Pennsylvania, about 90 minutes up the road from you, and we have a pretty severe drug problem there. But what happens is, all of these programs that come in, by the time the money is spent in the metropolitan areas, very little of it reaches our borders. Is there anything in Phase II that would provide money to the small communities of the country like Chambersburg?

The President. Bill, can you respond to that?

Director Bennett. It's interesting, because we heard from the big city mayors this morning that all the money is going to the rural areas and they're not getting their share. [*Laughter*] What we're doing is, of course, essentially through our block grants, giving the money to the States and the State legislatures. Those State legislatures and Governors have the responsibility to decide how that money should be apportioned in the State. And from the way we look at it, there's a drug problem in rural America, suburban America, as well as urban America. And the people who should make that judgment should be the Governor and State legislators.

The President. Bill, in response to the earlier question, we are doing that, as you say, blocking it so we do not mandate a specific answer so that Chambersburg has to adapt to a program designed for some big city.

Director Bennett. There are very few mandates, in fact, in our drug strategy, or drug policy. And one thing that doesn't happen is that when a lot of districts receive their money, they aren't told that this is money from the Federal Government.

And when the money goes into the State capital, it's combined with State sources and sent out. And we don't require Governors to say, This is from George Bush and not from the Governor, and so we think some Governors may let the constituents think they deserve all the credit for it. But there's Federal money going out.

National Drug Control Strategy

Q. Mr. President, how soon do you expect to see meaningful results from the implementation of Phase II? And how do you propose to deal with the already overcrowded facilities in the event that the results are even more successful than you anticipate?

The President. Well, I will give Congress credit for moving on additional facilities, prison facilities. And I think in some of this, certainly I hope we'll get early enactment on this program. I'd like to see it implemented, crossing the t's and dotting the i's, the way Bill Bennett has proposed. I'm not naive enough to believe that will happen.

But I was talking to Bill coming in, and we do sense a desire on the part of the Congress to cooperate. We may have a problem on the Senate side with spending levels, but in terms of the objectives of this strategy, we're in pretty close accord with both Democrats and Republicans on the Hill. So, I think we can get early action, and we're already getting it in some of these programs that are in effect right now. I'm thinking backing up law enforcement; I mentioned increasing prison capacity, et cetera.

Arrest of Mayor Barry of Washington, DC

Q. Mr. President, given the fact that you have talked a lot about discouraging drug usage and given the fact that you said just a minute ago that your thoughts ran to the children when you heard about the arrest in Washington, do you think Mayor Barry should resign?

The President. No, again, I don't want to get into the case because I think it would be inappropriate to intervene. And that isn't actually asking me to get into the legal process. But let's let the system work. And I think the city is capable of making that determination and trying to achieve their consensus goal.

Gun Control

Q. Mr. President, last night I came up with my wife to Washington, and on TV we saw four individuals who were shot. Through the drug program you talked about, wouldn't it also be hand-in-glove to make some further pronouncements towards gun control, especially towards the semiautomatic pistols that seem to be coming out?

The President. Were they shot in States that had controls on these pistols, or—I can't remember.

Q. They were in Washington, DC.

The President. In Washington? I think we have some rather stringent controls here against this. So, my position really has not changed on gun control. I realize there's plenty of room for difference of opinion on it. But I think the thing is, to enforce the laws that are on the books. And in this instance, we've pointed to one that might have been more effective. But I don't believe that the answer is going to be more Federal gun control.

Pardons for Iran-Contra Figures

Q. Mr. President, a different subject with two points. Is it a possibility that you will pardon Poindexter? And if legal procedure falls through, would you consider a pardon for Ollie North?

The President. I have said before and will repeat that, again, while these matters are in the courts, I will not make any statement one way or another on the question; I don't think I should do that. And so, we'll just have to—Ollie's under appeal, and the Poindexter matter is now before the jury.

Chinese Student Relief Legislation

Q. Mr. President, would you mind speaking, if you will, sir, about the vote on China this afternoon in the Senate?

The President. [At this point, the President raised his hand and crossed his fingers.] [*Laughter*] A week ago if you would have asked me that question, having faithfully read my regional newspapers and my big-city newspapers and my newspapers from the west coast to the east coast, I would have thought there was a very minimal chance of achieving this. But we made the case, and I have pointed to, albeit small

steps, certain steps that I think are encouraging as a result of the contact that we have had.

The acceptance of Peace Corps volunteers: you might say, well, that's not too big a deal. You see, I think the contacts between students and the people, or students studying here and the American people, is a good thing. They've now said they'd do that, very recently. The accrediting of a VOA [Voice of America] correspondent, not a major step by itself, but it reverses a period where all they did was blast the VOA for having an unsavory role, in their view, in Tiananmen Square. They are muting the whole concept in terms of world propaganda by them was that it was the fault of the United States. And everybody here knows it wasn't the fault of the United States. It was the quest for democracy and for freedom of expression. That criticism has been dramatically muted; ask your editors to collect it for you.

They've given us certain assurances on missiles sales overseas. And I happen to be one that's still concerned about the proliferation of missiles, and I hope they'll follow through on that now, but I think that was a direct response to the able work of General Scowcroft [Assistant to the President for National Security Affairs]. Fulbright exchanges have been reopened or the discussions are on to get them officially—put a mandate on that. And that's good, if you believe that the contacts of that nature facilitate understanding of democracy and freedom.

They've lifted martial law. And now some of my severest critics on the Hill, I'd say to them, Let me ask you a question now. Suppose I sent an emissary and the only one thing that could result would be the lifting of martial law. Do you think it's a good idea or not? Some of these people that are pounding my brains out up there, on both sides of the aisle, would have been the first to say, I think it's worth it. But that's been done. I'm not saying there's perfection and we can all walk around over in Tiananmen Square or anyplace else the way we can in the United States, but it's an improvement.

They've released 573 people from jail, an amnesty if you'd want to call it such. And as they did it, they kicked them as they went out of the jail and said you're a bunch of lawbreakers, but the people are out. They're not in jail. I want to keep this going. I care about human rights. I care about the students. I care about reform. I am committed to the concept that the world is moving, what I would say, hopefully not chauvinistically, our way in terms of freedom and democracy. And I believe that contact is the way to go about doing this.

We have taken care of the fact that no student, as long as I'm President, will be sent back against his or her will. There is a strong Executive order, a strong implementation letter from the Attorney General saying this. I don't know why I'm giving you all this detail; the vote is in only 5 minutes, I think, and—no, wait a minute—yes, 5 minutes.

The world looks like everything's tranquil in some ways, some broad ways. There is a reason. We are a Pacific power. China is a billion-some people. We've got enormous differences with their leadership on what happened over there and on a lot of things. But in regional areas there, we've got to work with them. Cambodia's a good example. Japan to some degree is a good example. Some are so relaxed about the changes in the Soviet Union that they think that you don't have to worry about the broad geopolitical or geostrategic relationships. But I haven't reached that view. I think there's reason to still—not play some card—I've always found that an offensive statement—play the China card or play the Russian card. That's stupid, and I think it's bad statesmanship as well as bad diplomacy. But the contact and being able to impress on the leaders the U.S. view, I think is good sound diplomacy.

I had a lot of reasons for doing what I've done. I will say what I told some of your reporters yesterday: I think, in retrospect, I could have done a better job of it. I think I could have made more clear my own heartbeat in terms of the change, my own concerns about the things that went wrong, and my own desire to see this relationship move forward. But back to your question: you asked the time, I've told you how to build a watch—[*laughter*]—we may pull it out. And if we do, though, it will be for the reasons that I have outlined here.

The Homeless

Q. Mr. President, people in our community are struggling to develop a strategy to deal with the problems of the homeless. This is happening all over the country. What can you do to help us address this issue?

The President. Well, we've got a new approach to housing that touches on the homeless: home ownership opportunity. We've got a fully funding for the first time of the McKinney Act, which is specific, a specific approach to the homeless, including shelter, including rehabilitation. I think we can do a little more in terms of the rehabilitation aspect because I think there are, regrettably, some people out there, given the change in the law that took place a few years ago, that need help and attention, and maybe we can do a better job of persuading them. But I think the full funding of the McKinney Act, which I pledged to do, incidentally, in the campaign, is the best role for the Federal Government because it was fully debated and passed by the Congress, both Democrats and Republicans, as the best way to go. And we have now funded it, and I hope that that will be enacted in our budget and I hope it will make a difference. Because you go upstairs and you look out that window and you see some pretty heartrending sights. And then you go have those people interviewed, as has taken place by enterprising reporters, and you find that there's some very great complications as to why those folks are there. So, we've got to get to the cause, whether it's economic deprivation or whether it's some other problem that the folks have that lead them to that state of hopelessness.

Thank you all very, very much for being with us. I'd better push on. But thank you.

Note: The President spoke at 1:21 p.m. in the East Room at the White House. A question referred to John Poindexter and Lt. Col. Oliver North, USMC, Ret., Assistant to the President for National Security Affairs and member of the National Security Council during the Reagan administration, respectively.

The President's News Conference
January 25, 1990

Chinese Student Relief Legislation and U.S. Assistance for Panama

The President. Two subjects I'd like to address myself to. First, I want to acknowledge the vote in the Senate upholding my veto this afternoon and reaffirming our commitment to Chinese students in this country, as well as the goal of improving relations with China. No Chinese student in this country is going to be sent back against his or her will. And we will continue to urge the People's Republic of China to recognize the human rights of its citizens, to participate in the affairs of the world community. And I do want to express my personal thanks to the leadership of the Republican Party in the Senate—Senator Dole, Senator Simpson—who lead this effort with courage and determination. And a special thanks to all those Members who voted for the values of justice and human freedom that I believe were at stake in this question.

Secondly, this morning I called President Endara of Panama to assure him of our continuing support of his efforts to establish democracy in Panama. Part of this effort involves the establishment of a healthy economy, and I'm deeply impressed with his commitment to reform Panama's economy. And based on this commitment and the report I received from [Deputy Secretary of State] Larry Eagleburger and [Deputy Secretary of the Treasury] John Robson, with us here, I informed President Endara that we'd arrived at an economic assistance package to help assist Panama in its economic recovery.

Our plan, valued at about $1 billion, includes $500 million in humanitarian assistance for housing, emergency public works, business assistance, loans, guarantees, and export opportunities and then $500 million in an additional assistance package for balance of payment support, public investment, and economic restructuring.

The Vice President will review the details of this plan with President Endara on his visit to Panama. We're going to work closely with the Congress on this package to ensure its prompt implementation. The eco-

would consist of new or strengthened partnerships among businesses, professionals, unions, schools, religious organizations, nonprofits, clubs, associations, and concerned individuals.

b. These groups will serve as catalysts for community action and as new engines for social change.

Youth Engaged in Service to America (YES)

Mission: To engage every young person, aged 5–25, in community service.

a. The Foundation will identify model community service projects in organizations of which young people are a part (schools, churches and synagogues, neighborhood organizations, clubs, etc.) and encourage similar organizations to replicate them.

b. The Foundation will help create youth service projects in a limited number of pilot areas (to be determined by the Board) that engage a wide variety of local groups and organizations and provide models which communities can replicate throughout the nation.

c. Every significant sector of American society (corporate, professional, labor, religion, nonprofits, clubs, and associations, etc.) not yet involved in youth development will work with young people to devise community service initiatives or participate in existing projects which are led by young people.

One-to-One Relationships

Mission: To form one-to-one mentoring relationships with people in need.

The Foundation will target a limited number of communities (to be determined by the Board) in which intensive efforts will be undertaken through the collaboration of a wide variety of community-based groups and organizations to develop one-to-one relationships with virtually every single individual in need.

Media Leadership/Support

Mission: To devote the distinctive capabilities of the local and national news and entertainment media to persuading people to engage in community problem solving.

a. Every segment of the news and entertainment media (e.g., television, newspapers, magazines, radio, cable, motion pictures) will provide examples of media groups and/or organizations that highlight community service continuously, spotlight successful service initiatives, profile outstanding community leaders, and inform the public of how to engage in community service.

b. In addition, in partnership with the Advertising Council, the Foundation will develop a nationwide advertising campaign to develop a new perspective on our social problems, to increase public awareness of the importance of community service, and to catalyze community action.

c. The Foundation will also create a mechanism to provide regular satellite feeds to local television stations containing stories about highly successful and newsworthy community service leaders and developments, and a wire print service to disseminate such information to local print media.

Finance/Resource Acquisition

Mission: To obtain the necessary resources from the private and public sectors to support the activities of the Foundation.

The Foundation will raise at least $25 million from the private sector in financial contributions and additional in-kind contributions. Also, the Foundation will seek $25 million in congressional funding.

The President's News Conference
January 5, 1990

General Noriega and Panama

The President. This morning I met with the Attorney General Dick Thornburgh to discuss the legal process related to the prosecution of General Noriega. We are committed to a fair trial and to providing all the protections guaranteed by the United States Constitution and laws. The Attorney General assures me that our case is strong, our resolve is firm, and our legal representations are sound.

Our government is not seeking a deal with Noriega. Our policy remains that we brought him to this country for prosecution. I will be ever mindful of this legal process in the days ahead and will not comment on

any aspect of this prosecution or any matters that could even inadvertently affect the outcome of this case. And I'm going to ask others from this administration to do the same.

Deputy Secretary of State Eagleburger and Deputy Secretary of Treasury Robson have just given me a report on the economic reconstruction efforts in Panama. The first action that the United States took after General Noriega was removed from power was to release some $400 million in money that was withheld by virtue of our economic sanctions, sanctions which are now being lifted—$140 million, I believe, is already in Panama. The revitalization of the Panamanian economy is a major priority in the months ahead, as are our efforts for humanitarian assistance. And I would say here: I've been very grateful for the medical supplies that have gone to Panama.

I can report today that considerable progress has been made so far in returning Panama to a normal state of affairs. The new government has taken charge, and President Endara is working tirelessly to meet the needs of his people. Both Under Secretary [Deputy Secretary] Robson and Eagleburger were very high in their praise of Mr. Calderon, Mr. Ford and, of course, President Endara. They're discussing housing programs, business development, bank loans that will help spur economic growth. We are committed to be a part of that process.

I want to assure all of the countries of Latin America that United States policy remains one of a friendly, supportive, and respectful neighbor. We have worked hard and intensively to consult bilaterally and multilaterally with Latin America, and we will continue to do that. I personally will be involved in that. At the Latin American summit in Costa Rica, I pledged that we would work with the countries of this hemisphere to build a better life for their citizens. Our policy of cooperation is firm. Yesterday I had a lengthy discussion with Prime Minister Felipe González of Spain, who is so well respected in this hemisphere as well. And I share his deep, personal interest in seeing that the countries of this hemisphere pull together on behalf of democracy and economic freedom.

I know the yearnings of my fellow leaders in this hemisphere, leaders in Latin America, and I believe they will support the new government of Panama and they will support the United States as we work together in this hemisphere. I've asked the Vice President, Dan Quayle, to visit a number of these Latin American countries within the next several weeks, to personally deliver this message. I view this as very, very important diplomacy. And I am determined not to neglect the democracies in this hemisphere. Some have felt that we were so infatuated with the change in Eastern Europe that we were in the process of neglecting this hemisphere, and that is not the case. And the Quayle trip, in my view, will help. I have been undertaking consultations directly with leaders since I've been President. I will resume that, as I said, and the Vice President will be in a position to explain very clearly not only U.S. policy but our aspirations for Panama and, indeed, for this entire hemisphere.

So, that's where we are, and I'd be glad to take a few questions.

Q. Mr. President, you said that the Government is not seeking any kind of a deal concerning Noriega.

The President. Yes.

Q. Does that mean that you are irrevocably ruling out any reducing of charges, increasing of charges? And also, since the indictment runs from '81 to '86 and you had many contacts, apparently, with Panama during that period, were you ever aware of any drug activities on the part of Noriega?

The President. On the first part of the question, there's no such plan. The man's entitled to whatever is granted him under our law. So, there isn't any such plan.

Secondly, I have made some statements in reply to your second question, so punch it in the computer. And I'll have nothing more to say about it because I do not want, even inadvertently, to prejudice this case. But my actions are, in my view, totally unrelated.

Q. Mr. President, with General Noriega out of Panama and safely in custody in this country, it seems like you may have a difficult choice in deciding how to maintain order in Panama. Do you envision keeping a U.S. military peacekeeping force there

beyond the usual contingent of 12,000 troops, or would you like to see the Panamanian Defense Forces reconstituted?

The President. One, I'd like to see their police forces, whatever emerges, reconstituted. Two, we will get our forces that went in out as soon as possible. Three—I will just say this because your question obviously understands this, but to those listeners out there, SOUTHCOM has had a force there. And that force, under the treaty, will remain there. But the answer is: We want to get those additional augmented forces out as soon as possible, and we will.

Secret Diplomacy

Q. Mr. President, I'd like to try to follow up a question you were asked when you were here last about secrecy and the two missions by General Scowcroft to China. As I'm sure you may be aware, Secretary of State Baker was asked about what we then thought was the first China mission on one of the weekend talk shows, and he indicated that it was, indeed. It turned out to be the second. He has since acknowledged quite openly that his answer was false and that he felt constrained to give that answer to protect the secrecy of the mission. And I wondered first, sir, whether you felt it was worth it for him to have to do that? And second, whether that sort of thing is acceptable in your administration?

The President. Well, let me simply say that some things will be conducted in secrecy. And I know you don't like it. Your business is to get everything out in the open. And my business is to conduct the foreign affairs of this country in the way I think I was elected to, and for the most part, that will be in the open. But this move into Panama was held in secrecy, and I think the American people understand that.

My move to send people to China was controversial. Some think that the best way to make change for human rights in China is isolation: don't talk to them; try to punish them by excommunication. I don't feel that way, and so, I asked these people to go forward. And I don't think Jim Baker would ever deliberately mislead somebody, and so, I will stand with him.

Q. Sir, I believe he indicated that he felt he had to do that and that he knew what he was doing—that he had to do it. And I wondered how you felt about it.

The President. Ask him about it. I support my Secretary of State.

General Noriega of Panama

Q. You talk about your concern about prejudicing the case; but as you well know, you have called Noriega a thug, and other people in the administration have gone further. You've said he's poisoning our children. Haven't you already done that and——

The President. I think I've heard all kinds of characterizations of him in the press, columnists, even commentators, Presidents, Members of the United States Congress. He is now in custody. Time for rhetoric is over. Time for answering hypothetical questions that might prejudice the trial is over. I would go back, Lesley [Lesley Stahl, CBS News], to help you on that, to Watergate, where there were hearings held, charges made over and over again, editorials written and voiced; and yet the people received a fair trial. So, I am convinced that our system of justice is so fair that the person will get a fair trial. But I can tell you, from my standpoint, I am going to bend over backwards and not answer hypothetical questions or not do anything that might prejudice that.

Q. Can I have a followup, please? I want to actually follow up on Helen [Helen Thomas, United Press International].

The President. Now, that's a separate question. [*Laughter*]

Q. But it's a followup. Reducing of charges—are you saying that if he wants to go for that, if he wants to try to go for reducing of charges, that we will entertain it? You said——

The President. No, I'm not saying that. I'm saying he has a right to do what he wants and let the legal process determine how that should work out.

Q. You're not ruling it out.

The President. Well, I'm not ruling it in. I'm just saying he's got his rights and we ought not to stand up here and try to define narrowly what they are.

Response to U.S. Military Action in Panama

Q. Mr. President, based on your opening remarks and your comments about the Vice President's trip, it would indicate that you're concerned about relations with Latin America. Has the actions you've taken set it back?

The President. To some degree I am concerned because I am well aware of how our friends south of our border, including my friend President Salinas, look at the use of American force anywhere. So, I am concerned about it. I think it's something that's correctable because I think they know that I have tried a lot of consultation, that we have exhausted the remedies in this particular case of multilateral diplomacy. But given the history of the use of U.S. force, I would be remiss if I didn't face up to the problem that we must go forward diplomatically now to explain how this President looks at the protection of American life; that we acted, in our view, well within our rights, but that we will continue consultation. But look, I felt strongly about the protection of American life. So, we've got to get them to understand that this isn't a shift away from what some had termed excessively timid diplomacy.

Q. Well, Mr. President, wouldn't that indicate that actually you were continuing old American policies that have upset the people in Latin America?

The President. Well, if there is that perception, then it's up to me and the Secretary—and in this instance, the Vice President's trip takes on enormous importance—to convince the people of the truth. And that is that we are not reverting to just a willful—what's the word I'm groping for here—use of force that has no rationale. But when it comes to the protection of American life, please, our friends south of the border, understand this President is going to protect it.

I'll tell you one thing that's helped on this, to the degree there is a problem at all, and that is the way the Panamanian democracy is now starting to move forward, the certification of the three people who had been deprived of their right to hold office by the previous regime. That's been of enormous help. And then I think the other thing is the public reception in Panama for our action. It has been overwhelming—overwhelming.

Q. On that, sir, Lee Atwater, the chairman of the RNC [Republican National Committee], says Panama is a political jackpot for you and it could well wipe out the disenchantment, for example, for the way you handled China. Without saying that's why you went into Panama, sending troops in, is one effect of it that it is a political jackpot?

The President. Well, Jesse Jackson doesn't think so. He talked to my wife. And so, there's differences of opinion on that. But I didn't do something for political reason. That's not the reason I do that. I did it to protect American life. A President's called on to take certain actions. We're not going in to try to furbish a political image; that's ridiculous.

Q. Having said that, though, have you now neutralized the Democrats on foreign policy? Is this the last time [Senate Majority Leader] George Mitchell can ever accuse you of having a timid foreign policy?

The President. Knowing George, he'll find a reason, he'll find a way. And that's his job. Look, we're going into an election year. But I want to try, if I can, to separate the response. And he's been supportive of this; let's give the man credit. But I don't think it's laid to rest or put off bounds any criticism of the President by Democratic opposition, if that's the question—no, absolutely not.

Future American Military Action and Withdrawal of U.S. Forces From Panama

Q. Mr. President, do you anticipate that the bulk of the additional combat troops sent into Panama will indeed be out by the end of this month, as some administration officials have said? And secondly, and more broadly, do you now see an expanded role for the American military in small, regional issues like this one, or more particularly in the war against drugs, since there was a strong connection to this operation?

The President. I see no parallel between the situation here, where American lives are at stake and you had an indicted person who usurped power and declared war against the United States—I don't think you

can draw a parallel between that unique situation and then other countries.

What was the other part of it?

Q. The bit about whether you see these additional combat troops able to come home, all of them.

The President. As soon as possible. And I have made clear to the Secretary of Defense [Richard B. Cheney], to the Chairman of the Joint Chiefs [Colin L. Powell], who is down in Panama right now, I believe that this is what we should do, this is what they themselves want to do. Some U.S. forces that went in are already out. So, I would look for an early return.

Q. General timeframe?

The President. Can't help you. But as soon as General Powell gets back, we'll have a more——

Legal Justifications for U.S. Military Action in Panama

Q. What about the international law implications? Isn't this something that you are also going to talk to the Latin American countries?

The President. Absolutely.

Q. Isn't this setting a precedent? What is the explanation behind it?

The President. The right to protect American lives granted under the U.N. Charter. And we will protect lives of citizens, and we will go forward with that. The State Department, as I understand it, has already spelled that out. But I think you raise a good point. Yes, we should make very clear why we acted and under what authority we acted as we did.

Future American Military Action

Q. Mr. President, you just described Panama as a unique case. And I'd just like to ask you sort of a philosophical question. If the criteria you listed here—protecting American lives, having exhausted all the other diplomatic options—presented themselves again, should we look in a Bush Presidency for more such deployments in military force if your criteria were met?

The President. Yes, if you can spell out what the criteria is, and then if you can look to the future to see the situation surrounding it. I can't visualize another situation quite this unique. But let me just say when American life is threatened—we were concerned in El Salvador, for example. A civilian hotel could well have been occupied by a guerrilla force that would have threatened American life. That concerned me. And indeed, we moved forces not in some macho way but to try to protect the lives of American citizens. But I think most people understood that. But, David [David Hoffman, Washington Post], I don't see another real parallel here looming on the horizon at all.

China-U.S. Relations

Q. Mr. President, back to the issue of China. Your decision to send emissaries to China carried some cause for you. Have you seen any payoff yet? Have you had any response from the regime there that is productive or encouraging for you?

The President. Well, it does carry some, and I think some who are familiar with the situation have been quite supportive—and some quite critical; I will admit that. As I indicated, some favor isolation: don't talk, and let them come to us. I think one of the great things that happened to us under the Shanghai communique and prior to that is the fact that we had a kind of contact and they began to help facilitate the changes and the reforms that have taken place. So, I want to see those go forward again.

Is that responsive? I can't remember——

Q. Let me ask you specifically: Are we close to a resolution on the issue of the dissidents who are——

The President. I don't know the answer to that. I don't know the answer to that. They know my position, and it is one of adherence to human rights, I might add. The thing I object to about this whole one is the assigning of motives to the other person. You can question the tactics, but I refuse to let my political critics get me down in terms of they understand human rights and I don't.

I want to see, through the contacts that we've made, change that can be manifested in several ways. Now, there has been some. The Voice of America, for example, now has—they have a person permitted to go there. There's been a reiteration of the sale of missiles which we are very much in our—I think in the interest of peace in the

world. So, there's been progress. I would like to hope that there would be more.

Independence Movements Within the Soviet Union

Q. Mr. President, as you know, Mikhail Gorbachev has been visiting the Baltics in his country to deal with the growing independence or autonomy movement there. Have you encouraged him to allow those movements to continue, or do you consider that essentially an internal affair of the Soviet Union?

The President. Well, he's got his own internal affairs, but he knows of our advocacy of peaceful change. And to the man's credit, he has been the big advocate of peaceful change. He has been the advocate of reform. I mean, you've got to link it, Jerry [Gerald Sieb, Wall Street Journal], to Eastern Europe to some degree. And I realize—and we can discuss this—that the problems are different. But give the credit that I don't think any of us a year ago from this day would have given in terms of Gorbachev adherence to change, given the dynamic upheaval in Eastern Europe.

Now, he's facing problems inside the borders of the Soviet Union—the Baltics, recently this other one—and he keeps reiterating his conviction about peaceful change. So, I support that. But we did have an opportunity to discuss in broad philosophical terms this question at Malta.

Q. Are you confident as a result that there's not going to be a crackdown?

The President. I'm certainly not buying into the hypothesis that there will, and I hope that this approach that he has taken—for which we give credit—will prevail.

Attack on Religious Workers in Nicaragua

Q. Yes, Mr. President, several times today you've made reference to the U.S. right to—indeed, your obligation to protect American lives. Today an American nun is being buried here in the United States. Even the Catholic order she represented there in Nicaragua claims that she was killed by *contra* forces.

The President. ——did claim that? I heard——

Q. Representatives of that group say the *contra* forces have been known to operate in that area using those tactics, and perhaps they didn't recognize the pickup truck that they were driving in. What do we know about who may have killed those nuns, and what are you doing to communicate to the *contra*—are you trying to call them off?

The President. Well, we're not calling them off because we don't know they were called on. And I'm interested in your hypothesis because you're telling me that some have concluded that it was the *contras.* The *contras* have denied that. Some have suggested it might be the other side. And the answer is: I deplore the loss of that nun's life. And similarly, there was another that I believe was killed that was a Nicaraguan there. And I deplore that loss of life. But it is murky. It is extraordinarily murky, similar to the situation in El Salvador.

But I want to take this opportunity to speak out against it. But we don't know the answer to it. And in El Salvador, we've said: Find out. We'll give you whatever technical assistance we can. And we want to find the answer to this question.

Q. But you're not confident then that the *contras* didn't——

The President. I don't know the answer to your question. They've said they didn't. Others are accusing them. And I don't know, and I don't think our government knows. I'd share it with you if they did.

Combat Assignments for Women in the Military

Q. Mr. President, in Panama we saw women leading troops in combat for the first time. Are you comfortable with women in that role, and would you support changes in restrictions on women in combat?

The President. No, I'd willingly listen to recommendations from the Defense Department. But these were not combat assignments. But anytime you have a highly trained, gung-ho volunteer force and they're caught up in some of the firefights that went on, a person, man or woman, can be put into a combat situation.

But it's my understanding, and I think [Secretary of Defense] Cheney took a question on that today—that these were not combat roles. And so, I would let the heroic performance of these people be weighed and measured and then see if the Defense

Department wanted to recommend to the President any additional changes.

Soviet-U.S. Relations

Q. Do you have assurances from Moscow that the operation in Panama won't hurt U.S.-Soviet relations?

The President. Well, they didn't seem overly enthused about it, by Mr. Gerasimov's [Chief of the Information Department of the Foreign Ministry of the Soviet Union] statement. But on the other hand, I don't agree with him at all. But I don't think it's going to fundamentally flaw the relationships between ourselves and the United States [Soviet Union].

Response to U.S. Military Action in Panama

Q. Do you think that the Latin leaders have been hypersensitive to the—given the fact that in back channels, apparently, they've been supportive of the invasion? Can you say if that is correct? And then also because of that, do you think they're hypersensitive in their public statements about U.S. force in the region?

The President. I like to feel that, given the way the situation is resolved, there is more support than has manifested itself in votes at the United Nations or in public statements. The Vice President's trip will help on this. My own consultations will help give me a clearer answer to your question. But I am absolutely convinced, given what happened and the reason why it happened, that if there's damage I can repair it, we can repair it, the State Department and whoever else is involved can repair it.

Q. But is it hypersensitive, their reaction so far?

The President. I think predictably so.

Q. Mr. President, some countries think the precedent now of Panama—feel that their sovereignty might be violated if the United States pursues drug dealers in their countries. And there has been some change in laws that they are worried about this, in the sense of the CIA, the FBI going out, being able to apprehend people outside the United States territory.

The President. And so, the question is what?

Q. Do these countries have reason to be worried that the precedent of Panama might serve as——

The President. Oh. Panama was more than that. Panama had, clearly, other ingredients that caused American action. It wasn't a simple case of going after a person who had been indicted for narcotics. And we know you had the abortion of democracy, but you also had this threat to the lives of Americans.

Television Coverage of News Conferences

The President. Let me do something in conclusion that may be a little risky. And it's a housekeeping detail and it relates mainly to television.

I got a lot of mail after the last press conference, I had some calls, because when I was speaking here in this room, juxtaposed against my frivolous comments at the time were some split-screen technique. It showed American lives—the bodies of dead soldiers, the caskets of dead soldiers coming home. And I would respectfully request that if the urgency of the moment is such that that technique is going to be used, if I could be told about and we'll stop the proceedings—or if it's something less traumatic. But that one—I could understand why the viewers were concerned about this. They thought their President at a solemn moment like that didn't give a damn. And I do. I do. I feel it so strongly. So, please help me with that if you would. Thank you all very much.

Note: *The President's 32d news conference began at 1:08 p.m. in the Briefing Room at the White House.*

Remarks on Signing the Proclamation Granting Poland Special Trade Status Within the Generalized System of Preferences

January 5, 1990

Let me just welcome the Secretary of State and, of course, Secretary Mosbacher and Derwinski. It's a great pleasure to have Carla Hills here—Ambassador Hills, our USTR—Chairman Boskin, the head of our

economic advisers. Who am I missing? We'll get to the Ambassador in just a minute. Ed Derwinski, I mentioned. Let me just give a special welcome today, Mr. Ambassador, to you, Ambassador Kinast, and just say how pleased we are you're here.

The past year has been one of outstanding change in Eastern Europe. One country after another has embarked upon it, each in its own way, down the path of peaceful, democratic reform. But it was the brave people of Poland, under the banner of Solidarity, that led the way, beginning with the roundtable agreement of last spring and continuing with the formation of the first non-Communist government in Eastern Europe in more than 40 years. Poland has blazed the trail, the freedom trail.

And so, I'm here today to fulfill one of the pledges that I made during my visit to Poland in July, granting the nation access to our Generalized System of Preferences, the GSP. This special GSP treatment means that Polish exports will enjoy the most liberal access possible to the American market, and it will pave the way for increases in Polish exports to the United States, a vital contribution to Poland's economic recovery. It's going to open the door for investment, trade, and the interaction of two free peoples. And it's among the most important steps we could possibly take to help the people of Poland. And yet this measure is just one of many steps that the United States and our economic partners are taking to help Poland at this historic moment.

Let me outline just one other of these steps, if I might. As you know, in response to a request made last September by the new Polish government, I pledged that the United States would extend a $200 million grant as our contribution to a $1 billion stabilization fund to support Poland's economic reform program. Well, I said that I would encourage our economic partners to contribute the remaining $800 million so that Poland's needs would be fully met. And now I'm pleased to announce that on January 2d our goal was met in full. We joined our economic partners in the Group of 24, pledging to the Polish Government a fund of more than $1 billion, all to back its ambitious economic stabilization and reform program.

The United States now has developed a 3-year economic assistance program for Poland totaling more than $1 billion. And of this, nearly half will be provided this year alone in the form of grants. And take note: The total financial commitments that we and our economic partners have made to Poland now add up to more than $8 billion. And that's $8 billion in Western economic assistance to Poland. Poland is not at the end but the beginning of a process of economic recovery and democratic change. The road they face is not an easy one. But the Polish people have already shown the courage and determination that they need to meet the challenges ahead. We will not let them face these challenges alone.

So, let me say it again, as I said out in Hamtramck last April: Poland is not alone; America stands with you. And now let me make all of this official, Mr. Ambassador.

Well, let me just at least say Happy New Year to everybody. I know our other guests would like to do that.

Note: The President spoke at 2:04 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to Secretary of State James A. Baker III; Secretary of Commerce Robert A. Mosbacher; Secretary of Veterans Affairs Edward J. Derwinski; United States Trade Representative Carla A. Hills; Michael J. Boskin, Chairman of the Council of Economic Advisers; and Polish Ambassador Jan Kinast.

Proclamation 6087—To Amend the Generalized System of Preferences

January 5, 1990

By the President of the United States of America

A Proclamation

1. Pursuant to section 502 of the Trade Act of 1974, as amended (the 1974 Act) (19 U.S.C. 2462), and having due regard for the eligibility criteria set forth therein, I have determined that it is appropriate to designate Poland as a beneficiary developing country for purposes of the Generalized System of Preferences (GSP).

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