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THANKSGIVING SPEECH OUTLINE ~~THE~~ WHITE HOUSE

I) INTRODUCTION: NOTES ON ^{WASHINGTON} THANKSGIVING

II) UNDERSTANDING THE PROBLEMS

A) HOW A PRESIDENT STAYS IN TOUCH

- 1) LETTERS FROM CITIZENS
- 2) PHONE CALLS
- 3) VISITING THE COUNTRY -- PERHAPS TALK ABOUT THE TRAVELS TO FLA, MS, ETC.
- 4) PERSONAL HISTORY: UNDERSTANDS WHAT IT TAKES TO BUILD A BUSINESS. GOVERNMENT DOESN'T CREATE JOBS, PEOPLE DO

B) WHERE THE ECONOMY STANDS

- 1) WHATEVER BAD NEWS WE WANT TO DISCUSS
- 2) GOOD NEWS: FUNDAMENTALS LOOK STURDY
 - A) INFLATION
 - B) INTEREST RATES
 - C) EXPORTS
 - D) DEFICIT CONTROL
- 3) A CHANGING INTERNATIONAL ECONOMY: ONE THAT REWARDS AMERICAN STRENGTHS: HARD WORK, FREE ENTERPRISE, INNOVATION, ETC.
- 4) WHAT PEOPLE WANT: TALK ABOUT THE HOUSEHOLD-LEVEL VIEW OF THINGS: GOOD JOB, SAFE NEIGHBORHOODS, GOOD SCHOOLS, VIBRANT OPTIMISTIC ECONOMY

III) WHAT WE PROPOSE

A) PACKAGE OUR GROWTH INCENTIVES: A SIX- OR SEVEN- OR WHATEVER-POINT PACKAGE:

- 1) CAPITAL GAINS
- 2) R&D TAX CREDIT
- 3) IRA EXPANSION
- 4) REGULATORY REFORM
- 5) BANKING REFORM
- 6) AGGRESSIVE TRADE POLICY

B) COMMON-SENSE EXPLANATION OF WHAT THESE WILL DO

C) BRIEF DISCUSSION OF THE ASIA TRIP: ANY INITIATIVES TO ANNOUNCE?

D) AN EXTENDED HAND TO CONGRESS

- 1) NOTE NORMAL ELECTION-YEAR TEMPTATIONS
- 2) DISCUSS THE IMPORTANCE OF SETTING ASIDE POLITICAL AMBITIONS LONG ENOUGH TO DO POLITICIANS' JOBS

IV) AMERICA'S GREATNESS: WE CAN DO IT

- A) COLD WAR, GULF TRIUMPHS: IDEALS AND COMMITMENT
- B) NATURAL OPTIMISM AND VERVE

V) PUTTING IT ALL IN PERSPECTIVE

- A) OUR HISTORY: FROM RAW WILDERNESS TO GREATEST CIVILIZATION IN WORLD HISTORY
- B) RECALL FIRST THANKSGIVING, RECALL WHAT AMERICANS WANT
- C) A CALL TO JOIN TOGETHER, LIKE EARLY PILGRIMS, TO CONFRONT THE EXCITING CHALLENGES OF THE NEXT CENTURY

✓
7 January 1991

MEMORANDUM FOR MARK LANGE

FROM: JENNIFER GROSSMAN

SUBJECT: OTHER IMPORTANT SPEECHES, NOT PRESIDENTIAL

- 1) RALPH WALDO EMERSON POINTS OUT THE DUTIES OF THE AMERICAN SCHOLAR, August 31, 1837:

"This time, like all times is a very good one, if we but know what to do with it."

"Is it not the chief disgrace in the world, not to be a unit--not to be reckoned with one character--not to yield that peculiar fruit which each man was created to bear, but to be reckoned in the gross, in the hundred, or the thousand, or the party, the section, to which we belong..."

- 2) LEARNED HAND, May 21, 1944:

"We have gathered here to affirm a faith, a faith in a common purpose, a common conviction, a common devotion."

*that is the key
the points, all of them*
"Some of us have chosen America as the land of our adoption; the rest have come from those who did the same. For this reason we have some right to consider ourselves a picked group, a group of those who had the courage to break from the past and brave the dangers and the loneliness of a strange land. What was the object that nerved us, or those who went before us, to this choice? We sought liberty: freedom from oppression, freedom from want, freedom to be ourselves."

HOW ABOUT SUBSTITUTING "BUREAUCRACY/PROGRAMS" FOR "LAWS/CONSTITUTION":

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"Liberty lies in the hearts of men and women; when it dies there, no constitution, no law, no court can save it; no constitution, no law, no court can even do much to help it."

- 3) THE SINEWS OF PEACE, EX-PRIME MINISTER CHURCHILL, March 5, 1946:

"...in moral force, there will be no quivering, precarious balance of power to offer its temptation to ambition or adventure. On the contrary, there will be an overwhelming assurance of security. If we adhere faithfully to the Charter of the United Nations and walk forward in sedate and

CONSERVATIVE VISION OF A COLORBLIND SOCIETY: "I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character."

"'From every mountain-side
Let freedom ring.'"

5) ANNUAL MESSAGES OF THE PRESIDENTS: MAJOR THEMES IN AMERICAN HISTORY, ARTHUR M. SCHLESINGER, JR.:

"'He shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient..'"

Refer to

~~The~~ Constitution of the United States, Article II, Section 3.

"..these innocuous phrases (above) conferred on the American President what has become after vicissitudes, a basic tool in his management of Congress and a potent instrument of national leadership."

"The next Presidents kept up the standards of the Messages for a while: Jefferson through literary grace and philosophical force; Madison through intellectual cogency; Monroe through the direct promulgation of policy (as his celebrated Doctrine); John Quincy Adams through sweeping national vision; Jackson through bold executive initiative. But in time the Message became increasingly a perfunctory and bureaucratic document, made up of submissions from the executive departments lightly bound together by the passages of piety and self-congratulation."

"..Grant's support for the item veto (renewed by Arthur and again by Eisenhower).."

"Most of the time, as devices in the presidential management of Congress, they tended to employ the rhetoric of consensus, seeking to minimize differences, to mollify opposition and to court support. Abrasive issues were often swathed and submerged.."

(Don't worry, we'll come here) { "Yet, though sometimes in a muted and fitful way, major themes of American history nevertheless emerge in these texts: the security of the republic; the internal development of the continent; the place of ethnic minorities; the evolution of presidential power; and the significance of the experiment in democratic government."

(X)

"...(Franklin) Roosevelt set forth his Four Freedoms. Three years later, warning against the 'tragic errors of ostrich isolationism,' he called on the freedom-loving nations to join 'in a just and durable system of peace.'"

"'We seek,' said Kennedy, 'not the worldwide victory of one nation or system but a worldwide victory of men.'"

John Quincy Adams: "'..the exercise of delegated powers is a duty as sacred and indispensable as the usurpation of powers not granted is criminal and odious.'"

Ann Arbor?
"'The Great Society,' said Johnson in his Second Message, 'asks not only how much, but how good; ~~not only how to create wealth, but how to use it; not only how fast we are going but where we are headed.~~'"

"Polk wrote:... 'Any attempt to coerce the President to yield his sanction to measures which he cannot approve would be a violation of the spirit of the Constitution, palpable and flagrant, and if successful would break down the independence of the executive department and make the President, elected by the people and clothed by the Constitution with the power to defend their rights, the mere instrument of a majority of Congress.'"

THE COLD WAR DISSOLVES ABROAD, CAN WE MELT IT HERE AT HOME?
..the cold war between the President and the Congress has remained a central (and wholesome) feature of American political history."

PRESIDENT AND HIS PEOPLE EXCHANGE SOU MESSAGES:

"The people through their representatives, their newspapers and their right of petition had to be free to send back their own state-of-the-union messages to the President."

"Truman's last Message stated the issue with quiet eloquence:


Let all of us pause now, think back, consider carefully the meaning of our national experience. Let us draw comfort from it and faith and confidence in our future as Americans. The Nation's business is never finished. The basic questions we have been dealing with, these eight years past, present themselves anew. That is the way of our society. Circumstances change and current questions take on different forms, new complications, year by year. But underneath the great issues remain the same--prosperity, welfare, human rights, effective democracy, and, above all, peace."

Kennedy:

"Now, in 1965, we begin a new quest for union. We seek the unity of man with the world he has built--with the knowledge that can save or destroy him--with the cities which can stimulate or stifle him--with the wealth and machines which can enrich or menace his spirit. We

seek to establish a harmony between man and society which will allow each of us to enlarge the meaning of his life and all of us to elevate the quality of our civilization."

- 6) REMARKS BY CHIEF OF STAFF GOVERNOR JOHN SUNUNU TO NATIONAL PRESS CLUB---This is a laundry list of what has been accomplished, and what we'd like to accomplish. Read not for style, but for policy outlines, details.

November 22, 1991

MEMORANDUM FOR TONY SNOW

FROM: JENNIFER GROSSMAN
SUBJECT: LETTERS

LETTERS

NOTE: Strong themes running through many of the letters -- "you might think that the recession is over. You should get out in the country and see for yourself," "Show us that you care," "You're not getting good economic advice," "Do you know how bad it is out here?" "It is time for action on the homefront."

- 1) "I'm one of those 'middle class working people.' We're a two-job family and have to be to keep our heads above water. There are no big frills for us..we were brought up with a strong work ethic...Thank you for not backing down, for doing what needs to be done in the face of ridicule and a clamoring for quick fixes to our problems."

*This letter, from Beth Kolstad of Waukesha, Wisconsin, would fit neatly into a message of: "The American people aren't innocents. They won't be scared or pushed around or fooled by those who seek to exploit their economic fears for political gain." Also, if the press wanted to see the whole letter or interview woman after excerpt was used -- she's an ideal booking: letter slams liberal press bias.

- 2) "Mr. President...I wrote you in early September because I had..not been regularly employed since around April...I was mad, depressed, confused, and broke.

After I wrote you (which was in haste) I decided to put my faith in gear. My faith in you, our country, in God and in myself. That very evening the phone rang -- it was a call to bid a job...

I'm a Republican, and you can tell those Democrats, I'm not one of those rich Republicans. I had a good job, I lost it, I was down but I am in the direction of my own recovery..."

*Beautiful letter from Alan Desmond of Dickenson (Ohio?)

- 3) James Price of Santa Monica, California wrote of how the President knows "where shadows, cold, and despair prevail in our nation."
- 4) Ursula Hayes of Cape Cod writes:

"I am very frightened. Please, please don't abandon your hardest working to the devastation of poverty. We only want a fair chance to work hard so our children will have the opportunity for a future."

- 5) Larry Adams of Encinitas, California writes urging politically cooperative action on economy, a "what works" approach:

"..it is crucial..to get this economy of our on track again. This should not be a political confrontation, but instead a joint effort by all of our representatives...If certain entities benefit because they risk capital and generate movement, is this not better than the stagnation we have fallen into since the last major tax reform act. When you deprive the human soul the reward of risk you deny everyone of our heritage of how our country was built...As neither a wealthy nor poor citizen of this country, I'm asking all of my representatives to act in unison and tighten spending where needed and loosen the strings where it can do the most for our entire economy and each and every citizen."

- 6) CAP GAINS (maybe not for use in this speech, but could use elsewhere). Joseph Locatell of Chadwick Beach, New Jersey writes:

"Capital gains reduction is not just a relief for the wealthy. Actually, the wealthy have many options for tax relief that the lower and middle income tax payers do not have...(example): Tony, your local pizza business; he starts with a small shop and works hard to build his business. He and tens of thousands like him, gift shops, hair salons, luncheonettes, small businesses work hard to build their businesses and when they sell, the government takes 30%. These are not wealthy people...There is a concept (a wrong one) that capital gains is only applied to the rich. This is not true. Will someone in Washington get this message to the congress by letting the public know the facts."

People who put to work their faith in themselves.

THE WHITE HOUSE

Office of the Press Secretary
(Camp David, Maryland)

EMBARGOED FOR RELEASE
UNTIL 10:00 A.M. EST
THURSDAY, NOVEMBER 28, 1991

TEXT OF REMARKS BY THE PRESIDENT
IN THANKSGIVING ADDRESS TO THE NATION

Camp David, Maryland

From Camp David, Barbara and I would like to wish all Americans a joyous Thanksgiving. This holiday has always had a special meaning for the Bush family, as it does for most Americans. Thanksgiving captures our spirit as a people: our determination, our generosity, our industry, and our faith.

Thanksgiving brings to mind the joys of plenty and the anguish of want. As Americans celebrated Thanksgiving in 1777, George Washington and his troops huddled along the banks of the Delaware River. Buffeted by the brutal cold, haunted by British troops massed over the horizon, they stopped to offer humble words of thanks and praise, and to dedicate themselves to the cause of building a land of prosperous liberty. That simple moment helped establish the American character. Our Founders' faith and determination transformed this land from a patchwork of colonies into a Republic of ideals.

This Thanksgiving, many of us join friends and family around the table; others share time by phoning loved ones far away; and all of us will think of others. In places of worship across the land, people contribute canned goods or turkeys or clothing. They share their blessings with people suffering through tough times. And that's as it should be. Americans always have expressed their thanks by serving others.

Many people wonder how a President understands what goes on outside Washington, especially to people struggling to make ends meet. Of course, statistics paint a sobering picture: unemployment, tight credit, lower home values, sluggish job growth. But real life speaks far more eloquently than bare numbers. I have traveled to 48 states since becoming President: talking, meeting people, listening, learning. I will continue traveling around our great country because that's one way a President stays in touch with people.

Recently, many Americans have written me, saying they want me to know and understand that hard times have hurt them. They don't pull any punches. One man, who lost his job in September, described how he and his wife struggle to support two children at home, pay the bills and keep up their property while he seeks work. "Mr. President," he wrote, "now is the time to come to the aid of the American people The American people need to know that you mean what you say." A woman, who typed beneath her signature the words, "Average Middle American," was just as blunt. Her husband recently lost his job, and she wrote that "it's pretty thorny out there."

Well, I do understand. I am concerned. And I want to help. I know that for a person out of a job, the unemployment rate is 100 percent.

As a Nation, we need to address today's problems and tomorrow's promise in a new world united in economic competition -- not frozen in nuclear conflict.

Over the years we have built a strong foundation for progress in this new, revitalized world. Inflation is down. Interest rates have fallen to the lowest level in years. This year we will export billions of dollars more in goods and services than ever before, and that means good jobs for American men and women.

This doesn't mean that we ought to sit back and hope for the best. We must take strong steps to move ahead. I have asked Congress to pass an important series of initiatives to boost our economy. These include tax incentives to unleash investment, reforms to help our banks do their job, proposals to set loose a revolution in American education, initiatives to keep health care costs down. Taken together, these proposals would let Americans do more, produce more, dream more, dare more. They would create more jobs, good jobs, for American workers.

Unfortunately, Congress did not send me a comprehensive package of economic growth measures. But we can't take "no" for an answer.

Now, I know we're about to enter an election year. And I know that both parties will spend a lot of time taking tough shots at one another. In our system of government, the opposition will attack the President aggressively. There is nothing new about this. But when people are hurting, a President cannot accept politics as usual.

Congress left town after a particularly bitter session. We now have a few weeks in which elected officials can cool off and hear from the people they serve. In this time we can build a foundation for greater prosperity. I will continue taking what independent steps I can to help the economy like fighting to create opportunities in foreign markets for American workers. I'll make sure that Administration agencies do everything they can to help the people, from getting unemployment checks out to easing the credit crunch. And I will insist that we get the money in our transportation bill out right away to build roads, fix bridges and create jobs.

When I give the State of the Union Speech in January, I will ask Congress to lay aside election-year politics at least long enough to enact a common-sense series of economic growth measures. I will ask politicians to restrain their personal ambitions at least long enough to get the job done. Afterward, the normal election-year battling can resume.

Politicians should remember that hot rhetoric won't fill an empty stomach. It won't create a job. It won't get the people's business done. Americans don't care about finger pointing in Washington, and they certainly have no tolerance for politicians who use tough times for political advantage. So I will continue to place top priority on the issues you care about: building a growing economy, world-class schools, and what our Founders called "public tranquility" -- a kinder, gentler nation rid of crime and united by bonds of brotherhood and service.

Every day, as I confront the tasks ahead of us, I think of the people we serve -- the family struggling to make ends meet; police risking everything to keep peace on the streets. I thank God for our teachers, who must serve as psychologists, doctors, social workers and peacekeepers before getting a chance to teach the three Rs. And I do care about the people who write me letters, especially people in trouble, people out of work.

Finally, I also remember the American people I have seen in every state and on virtually every continent: People who will not take no for an answer, people with a zest for life; people who love their country.

Americans don't ignore tough realities; we tackle them. We don't wallow in self-pity or despair; we shove obstacles aside and make life better. Optimism, opportunity, realism, determination: These are oxygen to us; they let our society live and breathe. America grew strong with the help of the greatest resource on Earth, the American people. As we look ahead, we should be as realistic about our strengths as we are about our problems. Every time I talk with Americans, I see our strength and I feel all the more determined to do what you elected me to do: foster growth, keep the peace, and maintain our stature as the world's greatest Nation -- the standard by which all other countries measure themselves.

Two years ago, I talked to the Nation on the Eve of Thanksgiving about the challenges posed by the collapse of communism. We met those challenges.

One year ago today, Barbara and I stood in the sands of Saudi Arabia, looking into the eyes of the finest men and women this country has ever known. I wondered whether I would have to send those young people into battle. We were a Nation on edge, anxious about what lay ahead in the Persian Gulf. No one knew how it would work out.

But look at what they did; what we did. We pulled together. We fought for principle. We stood up to aggression. And when our men and women returned home, remember how we felt: proud, excited, confident, even relieved -- all because we knew that we did the right thing.

Today, democracy is on the march around the globe. Nations long enslaved have begun experimenting with liberty, exploring their own promise as free people. America led the way to this new world. We met the test of world leadership.

Just as we've met every challenge in the past, we will meet those that confront us today. As we do, let us remember who we are and what we've done. Let's give thanks for our blessings, for our families and our faith. Let's dedicate ourselves to the hard work this moment demands. Let's pledge to join hands in common purpose.

That's the Thanksgiving spirit, and it has lifted us since the pilgrims first celebrated it more than three centuries ago. Now let's call upon that spirit today to help those in need. Let's call upon that spirit as we move toward a new year and look forward to a new century.

Thank you. May God bless all of you and our great land, the United States of America.

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Section 105(b) of the Act requires that the United States Arms Control and Disarmament Agency disseminate information pertaining to arms control verification and monitoring, including information regarding current, proposed, prospective, and potential arms treaties. It also requires that the Agency provide detailed information on such activities in its annual report to the Congress. I shall interpret the language of this Act so as not to detract from my consti-

tutional authority to protect information relating to treaty negotiations or other sensitive national security information.

GEORGE BUSH

The White House,
December 11, 1989.

Note: H.R. 1495, approved December 11, was assigned Public Law No. 101-216.

Remarks and a Question-and-Answer Session With Newspaper Editors December 11, 1989

The President. Thank you all for coming. I'm particularly looking forward to this because you do represent a unique category of journalism. What I want to do is just make a few brief comments and then take your questions for awhile.

First, just a word on the recent Malta visit—I think it was very promising. Mr. Gorbachev and I agreed to hold a summit in the United States next year in June. We agreed that our foreign ministers would meet in the Soviet Union next month. We are on the brink of exciting, new U.S.-Soviet relations. And having said that, there are still some difficulties. Our Secretary of State's abroad right now, talking about some of the problems facing Europe. But basically, I end the year more optimistic than when I began it, and very encouraged about the change that's taking place inside the Soviet Union and all across Eastern Europe.

On the Third World debt question, we came up with a proposal for solving it—the so-called Brady plan. I want to be sure that we move further during next year in terms of implementation. At least we spelled out some broad parameters with which to try to help solve the problems of Third World debt. But as one who is very interested in this hemisphere, I can tell you that there's enormous interest in the part of our friends to the south—small countries and large—that we get on with this, and that our allies

and others—private banking interests—help us get on with this.

On the economy—we end the year with a still-growing economy, the lowest unemployment rate in 15 years, and 20.5 million new jobs created over the last several years. I've been able to keep my pledge of no new taxes for this year. And generally, I feel pretty good about it. There's some signs of concern that have been expressed from time to time by the Fed [Federal Reserve Board], but I think the main thing now is to keep it growing until every American benefits by this—the longest recovery in history.

And on the ethics package—we sent an ethics package up early. Congress did incorporate many of the provisions in our governmentwide ethics package into the law passed recently that was coupled with the congressional pay raise. I think the reform is long overdue. We didn't get everything we want, but we made a beginning out there.

On S&L's—the package, which was not easy to come by, guarantees depositors that money will be safe and sets tough new standards to ensure that the crisis doesn't happen again. I'm disappointed, in some ways, with the Congress and with our progress—or lack thereof—in some areas.

The crime package—we sent a comprehensive violent crime control package which proposes augmenting enforcement and prosecutions, strengthening current

El Salvador

Q. John Zakarian, from the Hartford Courant, Hartford, Connecticut. How likely is it for Jennifer Casolo to receive a fair trial in El Salvador, given the breakdown of law and order in that country and also given the initial remarks that came out of the White House when she was arrested?

The President. Well, I think it's essential that she receive a fair trial. And I have instructed our Ambassador and, indeed, talked to Cristiani [President of El Salvador] personally, to represent to the Salvadorans that it's essential that a fair trial be granted. And having said that, I'm satisfied so far that that will take place. But it is essential that it not only take place but have all the appearances of fairness. And I think that's what Mr. Cristiani is determined to do.

That one is very complex, but so far I have seen no indication that she will not receive a fair trial. I have expressed my own concern about the FMLN shooting up civilians and shooting up a—going after a democratically elected government that was elected in certifiably free elections. And I think when Oscar Arias calls and urges that the Soviets intervene to see that this kind of thing doesn't go on—it makes an impression on me. But we ought to separate these cases and just do everything we can to insist that whoever it is be granted a fair hearing and a fair trial. And I hope that will be the case in Jennifer Casolo.

Savings and Loan Crisis

Q. Byron White, Cincinnati Post. Cincinnati being the home of Marvin Warner and Charles Keating, we've had quite an interest in the S&L crisis. You mentioned in your remarks that you saw the fact that the S&L package guaranteed depositors their money as being a positive. However, some have suggested that the fact that that maximum level of insurance is so high is part of the problem. And I was just wondering what your thoughts were on that.

The President. On deposit insurance?

Q. The maximum level of insurance, \$100,000 on depositors insurance as being part of the reason for some of the problems with Lincoln Savings and so forth.

The President. I don't want to dodge your question, but I don't know enough about

the specifics in that case to give you an opinion as to whether the \$100,000 limit on savings deposits affected it or not. All I do know is that we've got to clean it up and it's a whale of a mess. And we'll see where we go, but we had this one refinancing. I am now told that that might not be enough. And whether you can attribute it to your question or not, I am embarrassed to say I just don't have a good answer for you.

Urban Poverty

Q. David Boldt, of the Philadelphia Enquirer. It sometimes seems that missing from your agenda and from your comments today has been anything relating to the problems of American cities, particularly the problems of urban poverty. And it leads to an inclination to think that perhaps you don't think these problems are amenable to Federal initiative. Is that correct?

The President. No, that's incorrect. I thought child care had a lot to do with that. I thought the question of anticrime legislation has a lot to do with that because those areas are the most severely impacted. But I am glad you raised it because it is totally incorrect. I also mentioned the creation of jobs—that's very important to the inner cities.

Federal Budget

Q. Chris Colford—I'm from the Cleveland Plain Dealer. As we await your next budget for next year there is some anxiety that there may be another round of cuts in human and domestic services—for example, the Legal Services Corporation, where you recently offered a recess appointment for a new Chairman. Can you give us some assurances that the kinder, gentler administration will have adequate funding for human services?

The President. I think you'll be pleasantly surprised when you take the overall budget and its concerns for city affairs, human affairs—whatever.

Q. Legal services?

The President. Well, I can't. I don't know the exact levels on legal services. We're in the final processes of budget right now. I go from this meeting to another marvelous meeting with Dick Darman and a big thick

notebook over there. So, I'm not ducking it; I just don't know the answer. But generally speaking, I think you are going to find that we are able to finance the initiatives that I talked about—some of which I mentioned here—that do affect the welfare of the American people, particularly those that are disadvantaged.

Panama

Q. Sterling Holmesly, San Antonio Express-News. Mr. President, could you tell us when a decision will be announced on the relocation of the Southern Command in Panama?

The President. No, sir, I don't know. I'm not ducking it; I just don't know the answer. Can anyone help with that? Bob [Robert Gates, Deputy Assistant to the President for National Security Affairs]? I know people in San Antonio have a keen interest in this, and I can understand why, but I just don't know the answer to that one.

El Salvador

Q. Shelly Cohen, from the Boston Herald. There have been widely divergent accounts this morning of the credibility of a witness to the murder of those priests in El Salvador. Is it not time to go public with that investigation? If not now, when?

The President. Widely—

Q. We have a report—

The President. —as to whether she's a credible witness or not?

Q. Yes. We have a report out of El Salvador that she had flunked lie detector tests. We have other reports from the clergy in El Salvador that she's being brainwashed. Could you respond to that?

The President. Yes, I can respond to the last part of it, because when I read that, I looked into that and am assured that is not the case. But I think you ask a good ques-

tion, as to when all this will be done. It should be, and I'd like to see it possible.

But I think there are a lot of things all I would say is that this is being handled by a person from the Justice Department. I believe the Justice Department is taking the custodianship or taking in all of this. And I have our Attorney General working on this kind of inquisition process. It's in the papers today. And it's important, just as in the case of this being resolved fairly and in the interest of the American people. And to mean the disclosure of this about. And so, I want to see this will take place. I think that it's done in a way so as not to tampering with evidence in the legal proceedings that I think that's very important.

Q. Will you order the investigation public in the future?

The President. Well, I'll confine of the legal process. I want to order them to do it. Then have them say the same. This is making it difficult to find a reasonable solution to the question is asking—what happened. Fairness to her, I've already expressed my satisfaction that she is cleared. And I don't think I can tell me something that's not true because there would be a problem. That. Thank you all very much.

Note: The President spoke at the Old Executive Office Building, closing remarks, he referred to the Jesuit priests murdered in El Salvador.

the Associate Deputy Administrator for Logistics at the Veterans Administration. Prior to this, she served in several other capacities at the Veterans Administration, including Associate Deputy Administrator for Management, 1985-1986, and Associate Deputy Administrator for Logistics, 1985. From 1981 to 1985, Ms. Livingstone served as the Executive Assistant to the Associate

Deputy Director of the Veterans Administration for Logistics.

Ms. Livingstone graduated from the College of William and Mary (A.B., 1968), the University of Montana (M.A., 1972), and the Fletcher School of Law and Diplomacy (M.A., 1973). She was born January 13, 1946, in Carthage, MO. Ms. Livingstone is married and currently resides in Washington, DC.

Nomination of Abraham N.M. Shashy, Jr., To Be Assistant General Counsel of the Treasury November 1, 1989

The President today announced his intention to nominate Abraham N.M. Shashy, Jr., to be Assistant General Counsel of the Treasury (Chief Counsel for the Internal Revenue Service). He would succeed William F. Nelson.

Since 1984 Mr. Shashy has served as a partner with the firm of Jones, Day, Reavis and Pogue in Dallas, TX. Prior to this, he was a partner with Kronish, Lieb, Shainswit, Weiner and Hellman in New York, 1981-1984, and an associate, 1976-1981. In addition, he served as an adjunct professor of taxation at Southern Methodist University

School of Law, 1985-1986; adjunct professor of taxation at New York University School of Law, 1977-1984; instructor of taxation at New York University School of Law, 1975-1976; and instructor at the University of Florida College of Law, 1974.

Mr. Shashy graduated from the University of Florida (B.S., 1970), the University of Florida College of Law (J.D., 1973), and New York University School of Law (LL.M., 1975). He was born January 13, 1950, in Ocala, FL. Mr. Shashy is married, has two children, and resides in Dallas, TX.

Remarks at the Presentation Ceremony for the Malcolm Baldrige National Quality Awards

November 2, 1989

Thank you, Secretary Mosbacher, for the warm welcome. It's great to be back across the street, almost, at this wonderful Department. I first want to salute the Baldrige family—a special hello to Midge. Of course, I'm delighted to see the Secretary of the Treasury here and Ambassador Hills; able members of my Cabinet sitting next to them; Dr. Bromley, our Science Advisor, who has a keen interest in the success of the work of this Department.

I want to salute Deputy Secretary Murrin and Under Secretary Betti. And I think I

spotted Strom—I know I did—over here. And it's a little hard to see, but Jesse Helms was to be here, Congressmen Sherry Boehlert, Don Ritter. George Brown, I do see, Howard Coble, Doug Walgren, and Nancy Johnson. And if I missed a few—Alec McMillan, I think. And I can't see who else we've got over there, but nevertheless, welcome to the Members of Congress, whose support is absolutely essential for the workings of the Commerce Department.

In just a few moments, it will be my pleasure to present awards named after a

great public servant and a close and dear friend, Malcolm Baldrige. So, let me just say a few words about Mac. He had a zest for life—Nancy, I didn't see you—had a zest for life, love of family, and a love of country that was uncommon. He was an outstanding Secretary of Commerce for 6½ years, and he was also an outstanding friend. Mac's word of honor—as those of you who worked with him—was his bond, as good as a \$20 gold piece.

And he never quite fit any mold. In this town, they always try to make you fit into some mold. Baldrige never quite fit the mold. He was the president of a very successful company who spent a lot of his time with volunteer firemen when his wife wasn't doing that kind of work. He was the son of the East who rode horses and loved his place in New Mexico. He felt at home with cowboys because he roped with them all of his life. You'd never have known it from his friendly, easygoing manner, but he was also a bit of a perfectionist, in word and deed.

As a leader in business, Mac strived for quality in products; as Commerce Secretary, for quality in public policies. Even the language—some of you may well remember, to your horror—the language of his memos was lean and exact. In fact, he had a special computer software program for Commerce Department documents, one that automatically weeded out jargon like impacted, viable, infrastructure. *[Laughter]* Sort of Gramm-Rudman cut of the English language, if you will. *[Laughter]*

But like all perfectionists, he knew that perfection is not reaching the attainable. Rather, it's a never-ending quest for the unattainable. His life was such a quest, a life whose legacy leaves us with a profound insight: A truly successful man or woman is someone who has, indeed, served others.

Companies, like people, are successful only to the extent to which they provide service. This is true for all business, from the humblest mom-and-pop operation to the largest corporation. The improvement of quality in products and the improvement of quality in service—these are national priorities as never before. In recent years, Americans have felt the sting of fierce competition on a global scale, and we've

learned to see foreign competition not as an excuse to close doors and raise barriers but as an incentive to renew our own commitment to excellence.

American managers have reconsidered every time-honored belief, every traditional practice, every customary procedure; and they've embraced what works and rejected the past. They've studied examples of innovation from home and abroad and adopted only the best. And we now know the result of this historic reassessment: When it comes to meeting the competition, America is back in business.

We're here today to honor two companies that are leading this resurgence. They're leading the resurgence in American business leadership. Most companies catch hell from the competition, but these two companies are in the lead because no competitor gave them a tougher time than they gave themselves. Of course, in business, success is its own reward. And yet all American firms benefit by having a standard of excellence to match and perhaps, one day, to surpass. For 1989 there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award: Milliken & Company and the Xerox Corporation.

Both of these manufacturing firms were well-established leaders in their markets, yet both were being steadily squeezed out by the intense foreign and domestic competition. In the midst of this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment and the drive to win back that market share. Both companies started down this path of reassessment with a simple premise: In business, there is only one definition of quality—the customer's definition. And then they proceeded from this one premise to restructure their production and marketing plan. Sounds simple. But I know, as a former tiny businessman myself, how difficult it is to restructure a firm from top to bottom. And today's winners know what is possible when a firm restructures itself from the bottom up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company

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and good character of the people it em-
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And there are as many successful forms of
management as there are successful compa-
nies. But for these two companies, success
came when they developed their human as
well as their technological potential. Milli-
ken, for example, a 125-year-old textile
manufacturer in South Carolina—but its
management style is sheer 21st century.
Milliken scrapped the old management hi-
erarchy in favor of what they call a flat
management structure—good thing they're
not a tire company—[laughter]—flat man-
agement structure. Milliken even gave a
new title to its employees, calling them as-
sociates. And this is no hollow accolade for
public relations. Every Milliken employee,
I'm told, truly is an associate. In fact, any
Milliken worker has the power to halt that
production line if he or she detects a prob-
lem in quality or safety.

Our other winner takes a similar ap-
proach with its "Team Xerox" philosophy.
Xerox employees are given the authority
that they have to have, that they need, to
make day-to-day decisions. And they are,
the company says, expected to take the ini-
tiative in finding and fixing problems—and
they do. While every manager works, every
worker is managing.

One of the best things about this award is
that it allows successful companies to share
what they have learned to set an example.
Perhaps these two companies ought to
merge—and be careful of the antitrust.
[Laughter] Can you imagine it? Your ward-
robes wouldn't just be coordinated; it would
be collated. [Laughter]

Many firms will learn a great deal from
their example. Others will need to follow
their own path. But to those who say that
we have lost our edge, that the days are
past when "Made in America" meant the
best, I say: Tell that to the people of the
Milliken plant in Spartanburg, South Caroli-
na. Tell that to the Xerox teams in up-
state—up in Monroe County, New York.

Quality products and service is no acci-
dent. It's the result of a certain can-do, no-

excuses attitude, an aggressive impatience
with the status quo even in the best of
times. And it's this attitude, more than any-
thing else, that is responsible for the cre-
ation of wealth and jobs that we have seen
over the last 7 years.

In these years, our total national wealth
has grown by almost a third, and more than
20 million new jobs created. And we are
still enjoying the rewards of what has
proven to be the longest peacetime expan-
sion in American history. So, given the right
policies, and a reduced capital gains tax
would be one—Congress, I hope you're lis-
tening—this expansion will continue. And
given the right tools, the American people
can reach even greater heights. The poten-
tial of this nation is as boundless as the
imagination and drive of the American
people. All we have to do for our citizens is
what these two companies have done for
their employees: give them the freedom to
do what they do best—freedom to imagine,
freedom to create, and freedom to excel.
Our winners had such freedom, and they
certainly made the most of it.

I give my heartiest congratulations to
Roger Milliken, who is here, and to David
Kearns. And I give my heartiest congratu-
lations to your employees, your associates.
And thank you all for being here to honor
these two successful stories. Thank you
very, very much.

*Note: The President spoke at 10:34 a.m. in
Malcolm Baldrige Hall at the Commerce
Department. In his remarks, he referred to
Secretary of Commerce Robert A. Mos-
bacher; Malcolm Baldrige's widow, Marga-
ret (Midge); Secretary of the Treasury Nich-
olas F. Brady; U.S. Trade Representative
Carla A. Hills; Deputy Secretary of Com-
merce Thomas J. Murrin; Under Secretary of
Defense John A. Betti; Senators Strom Thur-
mond of South Carolina and Jesse Helms of
North Carolina; Roger Milliken, chairman
and chief executive officer of Milliken &
Co.; and David T. Kearns, chairman and
chief executive officer for business and
products systems for Xerox Corp.*

Remarks and a Question-and-Answer Session With Reporters During
a Meeting With Small Business Leaders
September 26, 1989

The President. As we meet with these small business owners and representatives of small business owners, it gives me an opportunity to make another appeal for the capital gains differential. It is not, as these folks know, a tax break for the rich. It is a job-creating tax measure that will put more Americans to work. And so, I think we have to stand up to the understandable political rhetoric on the other side, rhetoric that we heard all last year and are now hearing once again, and fight for this principle that will be good for the American people.

And when I look back at some of the statistics—that in 1987 over 14 million people reported capital gain and 70 percent of the tax returns with long-term gains had incomes of less than \$50,000. So, this argument that we hear from the political opponents that this is a tax break for the rich—they simply are wrong about it. The American people had a chance to hear this debate in last year's political process, and now I'm trying to follow through and do what I said I would do. It's a tough fight, but I obviously would welcome all of your support, which I hope I have.

Q. You certainly have ours.

The President. But in fairness now, we can take a quick question and then I'll have to go to work here.

Capital Gains Taxes

Q. What do you think the outcome is going to be at this point? They're going to vote the rule today.

The President. I don't know, but it's close, very close. I think some had predicted it would never get this far, given the political breakdown up there. But I'm confident that we do have a strong bipartisan support, and I'm hopeful that we will prevail.

Q. Are you suggesting you might get both the capital gains tax cut and an IRA cut—both?

The President. I don't see how we can do that. I have to have some final—I have to be the final arbiter, I think, on the overall

budget. And that is unacceptable to me as President.

Chemical Weapons

Q. Did you get everything you wanted from Mr. Shevardnadze today at the Soviet—or at the United Nations on chemical weapons?

The President. Well, you never get everything you want, but I'm very pleased with the way things are going. The reaction from the Soviets to our proposals yesterday has been positive, and so now the goal is to get moving and try to work out these agreements. But we got some good common ground, Terry [Terry Hunt, Associated Press], that I don't think we had before the Foreign Minister came here. I know he's accurately reflecting Mr. Gorbachev's view.

Education Summit

Q. Mr. President, this being the eve of your education summit, do you care to make a comment on what you hope to gain of substance at the 2-day meeting—how you expect to improve America's schools?

The President. Well, I think that we're going to come together with the Governors on major objectives for this country in terms of education—something that's never been done before. And I know what my agenda is and what I believe in, but I'm going down there to listen and to work with the Governors, not try to impose an agenda from here. But I want to see us come up with some suggestions that will dramatically change things.

I was just reminded by a group of business leaders that on a per capita basis we spend far more than Germany or far more than Japan, and yet we're not achieving the way they are. So we've got to see what it is that we're doing wrong, how can we be more accountable. And it's in those areas of goals—national goals, but coming up through the Governors—that I think we can make a real contribution here.

Q. How would goals make a difference? If

Reporters During

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make a difference? If

you did have goals, how would that make a difference in the classroom?

The President. Well, if we all agree on them, if we can get the Nation to agree on them, then the President can push from here. But the beauty of having the Governors is, they're the ones that are on the cutting edge. And we want them to go back actively engaged in working for excellence. And besides that, I think there will be an interesting exchange of ideas—one Governor saying to another, "Here's what's worked in my State." And to the degree the Federal Government does have a role in many of these educational programs, we will be listening intently, and our people will be saying what we think works and what doesn't. It's a good way to do it. It's a good way to have it, at this Governor's level.

Capital Gains Taxes

One more capital gains question?

Q. Dick Darman [Director, Office of Management and Budget] said yesterday that the Democrats want to shut down the government in order to force you to raise taxes, rather than go along with this capital gains. Are you willing to see an extensive sequestration and a—

The President. I don't want that, but I'm not ruling out anything. I mean, we know what the law is, and the President has to abide by the law. But if they would go forward and do what we've suggested, why, we could avoid sequestration. But I'm not ruling it out. Can't rule it out. It's the law of the land. And I've got certain convictions. I was elected to do certain things, and I'm going to keep on trying to do them. And a President has to use the tools at his disposal to accomplish the ends for which he was elected, and I plan to do exactly that.

Note: The President spoke at 2:07 p.m. in the Oval Office at the White House.

Message to the Congress Transmitting Proposed Campaign Finance Reform Legislation

September 26, 1989

To the Congress of the United States:

I am pleased to submit for your consideration and enactment the "Comprehensive Campaign Finance Reform Act of 1989." This legislative proposal would implement the reforms I announced earlier this summer. It represents comprehensive campaign finance reform legislation designed to reduce substantially the power of special economic interests while enhancing the role

of individuals and political parties. The proposal also restores competition to congressional elections by reducing the advantages of incumbency.

I look forward to working with the Congress on those critical issues.

GEORGE BUSH

The White House,
September 26, 1989.

White House Fact Sheet on Proposed Campaign Finance Reform Legislation

September 26, 1989

Today the President transmitted to Congress comprehensive campaign finance reform legislation designed to lessen the

power of special economic interests and restore competition to American congressional elections. This legislative proposal imple-

ments the reforms already announced by the President.

While curtailing the influence of special economic interests, the proposal enhances the roles of individuals and the political parties in the electoral process. It is also designed to reform a system which has led to a "permanent Congress." In the 1980's, House incumbents have had a 97.7 percent reelection rate and Senate incumbents an 85 percent reelection rate. Below is an outline of the major proposals:

- Elimination of political action committees (PAC's) supported by corporations, unions, or trade associations, and a prohibition on any such entities paying for the overhead or administrative costs of any independent PAC.
- Reforms to address the problem of the "permanent Congress" by reducing the unwarranted advantages of incumbency. Specifically, the proposal would

prohibit the personal use of excess campaign funds, drastically reduce congressional franked mailings, ban the rollover of campaign funds from one election cycle to the next, and legislate fair neutral criteria for the redistricting that will follow the 1990 census.

- A strengthening of political parties by increasing the amounts they can spend on behalf of congressional candidates. This source of funds would permit legislators to spend less time fundraising, would ensure that challengers have greater resources with which to challenge incumbents, and would further limit the role of special economic interests in elections.
- Full disclosure of all "soft money" spent by the political parties and all labor unions, corporations, and trade associations to influence a Federal election.

Letter to the Members of the House of Representatives on Proposed Capital Gains Tax Legislation

September 26, 1989

Dear _____:

The House of Representatives will soon have the opportunity to vote on legislation that will ensure continued economic prosperity and provide powerful incentives for investment and jobs.

I firmly believe a capital gains reduction is the right policy for all Americans. This is an opportunity to restore an incentive for saving and investment, to create new jobs and build a better future. All Americans will benefit.

Middle-income Americans who invest wisely, farmers selling off a piece of the family farm, the elderly widow who is living off the assets she and her husband struggled to accumulate, the couple who planned ahead and saved so their children could go to college, the small business entrepreneur who sank his savings in an idea he alone believed would work—these are not wealthy Americans. Over 70 percent of the taxpayers who report capital gains have

other income less than \$50,000.

In this intensely competitive world, almost all major industrial nations tax capital gains lightly or not at all. This is important to the American factory worker whose job may be on the line unless his company can bring down its capital costs.

Reestablishing a capital gains differential, which was part of our tax laws for over six decades, provides the needed incentives for those willing to take a risk on new products and research that are the result of American ingenuity.

Reducing the capital gains tax means Americans who have capital gains at some time in their lives—about half of our population—will be able to keep more of their savings to invest for the future.

You will be offered an alternative to the Jenkins-Archer capital gains proposal. No matter how you dress it up, that alternative is a tax increase—plain and simple. That's no alternative, and my response will be

the personal use of excess funds, drastically reduce congressional franked mailings, ban the use of campaign funds from one cycle to the next, and legislative criteria for the redistricting follow the 1990 census.

thinning of political parties by the amounts they can spend of congressional candidates. ce of funds would permit legislators to spend less time fundraising, ensure that challengers have resources with which to challenge incumbents, and would further the role of special economic interactions.

closure of all "soft money" by the political parties and all unions, corporations, and trade associations to influence a Federal elec-

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less than \$50,000.

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capital gains tax means we have capital gains at some times—about half of our population is able to keep more of their money for the future.

ffered an alternative to the capital gains proposal. No matter how we dress it up, that alternative is plain and simple. That's the American response will be

equally plain and simple—veto.

The timing for this vote is excellent. The Nation is enjoying its 82nd consecutive month of economic expansion—the longest in peacetime history. Support for a capital gains differential is a vote to continue that prosperity, and I ask for your support when

the Jenkins-Archer proposal comes to a vote.

Sincerely,

GEORGE BUSH

Note: Identical letters were sent to each Member of the House of Representatives.

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

children well.

I am impressed with what you're doing. Five States, a room full of committed people: you really can make a difference, and we want to work with you. Thank you for the privilege of sharing this occasion. God bless you for your commitment, and God bless this great State, and God bless the United States of America. Thank you all very, very much.

Note: The President spoke at 2:32 p.m. in the house chamber of the State capitol. In his remarks, he referred to State Representative Ray Peck, Speaker of the State House John Vincent, and President of the State Senate Jack E. Galt. Representatives from North Dakota, South Dakota, Nebraska, Wyoming, and Idaho attended the conference.

The President's News Conference in Helena, Montana September 18, 1989

The President. I have a brief statement, and then I'll be glad to respond to some questions.

I have decided, and Secretary Mosbacher has announced in Hungary, that Hungary will be granted permanent most-favored nation, MFN, status in October and will be granted the benefits of a Generalized System of Preferences.

Hungary has undertaken major steps toward political and economic reform, and during our recent visit, we witnessed significant changes toward freedom in that country. The dedication and diligence of the Hungarian people is quickly transforming the economic system into a more productive and competitive posture.

GSP eligibility will open new doors for the Hungarian economy, encouraging greater market orientation and increasing the foreign exchange earnings. Our commitment to helping the reform movement in Eastern Europe is strong. Our step today underscores our willingness to help these countries. Obviously, it's up to them to make the structural adjustments, but they should be aware that the United States is ready and willing to assist in this progress.

Let me just say a word on economic growth at home. There is an issue before the Congress which I feel is just the kind of thing that will help States like Montana bolster their economic productivity and employment. A reduction in our capital gains tax rate is right for Montana, and it is good for America. And I am pleased that there

has been a bipartisan effort in the Congress to bring this issue to the House floor. I'm hopeful that the Congress will continue in this bipartisan spirit.

And now I'll be glad to respond to some questions.

Arms Control

Q. Mr. President, when you meet on Thursday with Mr. Shevardnadze [Foreign Minister] of the Soviet Union, there's a lot of speculation that he will bring with him a major new strategic arms proposal from the Soviet Union. Are conditions ripe now to move ahead on a strategic arms agreement, or is there a chance that further delays may make it impossible to reach such an agreement in your term?

The President. I would not take that pessimistic an assessment that further delay will make it impossible to reach an agreement in the next 3½ years. I don't know, Tom [Tom Raum, Associated Press], what he is going to bring with him. I've read speculation that there might be a new arms control proposal, but I can't confirm that for you. We do want to move forward on START. As you know, we came in, did a review, completed the review; and we're working inside our own administration to have proposals that I think will capture the imagination of the Soviet Union. But I don't know what he's going to bring. We haven't had that confirmed.

Q. Are you afraid for the security of your family, sir?

The President. No, I'm not. I'm not afraid. I have great confidence in the selflessness and in the thoroughness of the intelligence community and of the Secret Service.

Gun Control

Q. You said today and on Friday that you would not extend to domestically made semiautomatic weapons a ban you placed on imported weapons. But are there any restrictions at all that you would accept if Congress approved them on those weapons?

The President. Well, I'd be glad to talk to Congress about it. But basically I think the thing to do is go forward and approach the problem by passing our anticrime bill. I used the analogy the other day of the person in the tower with an automatic, I mean, a quick-firing rifle as a view that it's going to be very, very hard to legislate against aberrational behavior. And I have long felt that the answer is to go after the criminal and not, in the process, do violence to the rights of legitimate gun owners.

Visa Request From Yasser Arafat

Q. Mr. President, we're told that Yasser Arafat is preparing a visa request so he can come to the U.N. General Assembly to speak. Now that the U.S. has opened the dialog with the PLO, would you have any objection to Arafat coming to New York?

The President. I will consider that matter when and if it comes to my attention. You've heard something I haven't heard—that he is preparing a visa request, but I will look at that. What I mean is, I'm not going to answer your question right now because I don't know the final answer. But, obviously, it was a decision that would come to me, but it's not that far along.

Capital Gains Taxes

Q. Back on the capital gains tax rate cut: the Democrats on Capitol Hill seem plainly determined to make it a major party question. How do you deal with that going into the floor debate in the House, and how does that tie into the grand strategy that we

keep hearing about for a major budget compromise in the next 2 years?

The President. Well, it ties into the fact that I ran for office in this State and in 49 other States on a platform that included very clearly a capital gains differential. And I happen to feel that it is good for creating more jobs. I think it is good for risktaking. I think it is something that should happen. So, we'll fight for it on the floor and hopefully get it passed, and then approach the follow-on budget considerations.

But this concept that I'm hearing from some who are on the other side of the issue—well, if you insist on this, then we won't talk to you about A, B, or C for the future—I don't think that's right, and I don't think the American people would support that. There was a good, clear fight in that committee; and at this juncture, at least, after lots of amendments, my side prevailed on a bipartisan way—a lot of Democrats supporting us. And now we go to the floor. And then whatever comes out of the floor, we have to fit in, obviously, to the budgetary requirements for next year.

But I don't think it is right for people who get whipped on an issue in a committee to then start a lot of threats on the other side, saying, well, we'll never deal with the President. It doesn't work that way. You know why? Because the American people have a say. And they had a say last year about this question, and they'll have a say in the future. And it is not, as my critics contend, a tax that will simply help the rich. A lot of countries don't have tax on capital at all.

Federal Role in Education

Q. Mr. President, a few minutes ago you told the State legislators that Washington does not know best on the subject of education. At the education summit next week in Charlottesville, many of the Governors, not all Democratic, are going to say they want more from Washington. How are you going to reconcile the difference?

The President. Yes, they want more, and sometimes justifiably so. But I can't think of a Governor that's going to come to me and say: Tell us how to do it. Mandate it. Mandated benefits from Washington—we've had enough of that, and I am against that.

And I will make it clear many of them come and don't think any will, [John Boston Globe]. I don't think that's right. Of course, Government want additional resources. And maybe we can't get them, or maybe we can't. They want that control of the way they call mandated benefits. I think they don't.

Trade With Hungary

Q. How much did it figure in your decision on Hungary and trading travel to the West with them?

The President. Well, to you, it was in the mix of dramatic happenings. An overall economic performance. But clearly, when a courageous decision, that's just a benefit to this relationship that is very, very important.

German Reunification

Q. Mr. President, the East Germans to West Germany. A lot of people thinking a reunification of Germany would be a good idea or a reunified Germany would force in Europe or a decision.

The President. I would like for the Germans to decide the way: If that was worked out, I do not think that as bad for Western Germany there's been a dramatic change. World War II Germany. I think it. And I notice that there's something to say on this. It might need help from Bonn. But, nevertheless, this is something for them to determine. I think in some quarters a feeling that Germany would be a peace of Europe, of Western Europe; and I don't accept that.

Alaskan Oilspill

Q. Mr. President,

Appointment of Henry C. Cashen II as a Member of the Board of Directors of the Federal National Mortgage Association *September 8, 1989*

The President today announced his intention to appoint Henry C. Cashen II as 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 (Public Member). This is a reappointment.

Since 1973 Mr. Cashen has served as an attorney at Dickstein, Shapiro, and Morin in Washington, DC. Prior to this, he served as Deputy Assistant to the President and White House Liaison with the Public

Sector, 1970-1973; Deputy Counsel to the President at the White House, 1969-1970; and attorney with Dickenson, Wright, McKean and Cudlip in Detroit, MI, 1964-1969.

Mr. Cashen graduated from Brown University (A.B., 1961) and the University of Michigan Law School (J.D., 1963). He was born June 25, 1939, in Detroit, MI. He is married, has three children, and resides in Washington, DC.

Appointment of George L. Clark, Jr., as a Member of the Board of Directors of the Federal National Mortgage Association *September 8, 1989*

The President today announced his intention to appoint George L. Clark, Jr., as 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 (Real Estate Industry Representative). This is a reappointment.

Currently, Mr. Clark serves as president of George L. Clark, Inc., in Brooklyn, NY. He has served as a real estate broker, appraiser, and consultant for the past 26 years in the following capacities: president of the Bay Ridge Real Estate Board, first vice

president of the Brooklyn Board of Realtors, and director of the Flatbush Real Estate Board. Mr. Clark has served as Republican State committeeman from the 42d assembly district in Brooklyn, NY, 1970, and was elected Republican county chairman of Brooklyn in 1972. In addition, he has served as Republican State chairman of New York, 1981-1985.

Mr. Clark graduated from St. John's University (B.A., 1962). He was born January 4, 1941, in Brooklyn, NY. He is married, has four children, and resides in Brooklyn, NY.

Remarks to 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

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and I'd be remiss if I

didn't mention the 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 Larry Ca-
vazos, 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 Con-
gressman 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 Liv-
ingston, 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 cham-
ber 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 His-
panic. And now, at the decade's end, His-
panics 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 so-
ciety, 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 Commission-
er of Patents of the United States Govern-
ment, back around 1900, who suggested
that the Patent Office be closed because
everything worthwhile had already been in-
vented. Then you think of Marconi invent-
ing the wireless; or the Wright brothers, the
airplane; or going to the Moon; or what-
ever, and you wonder what this guy was
thinking of back there. But as you know,
the gateway isn't highly concentrated gov-
ernment bureaucracies; it isn't bigger gov-
ernment; 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 ware-
house—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 scorecard 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 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

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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 moth-

ers. 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 pricetag, by pricetag 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 childrens' 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.

Remarks to the National Baptist Convention in New Orleans, Louisiana September 8, 1989

Now, what do you think of a man like Reverend Jemison who would make you come on after that beautiful music by Earl Taylor? [Laughter] Not only were his re-

marks deeply appreciated, but, Earl, wherever you've gone to—here he is over here—what magnificent joy, what magnificent music! Thank you very much.

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to unite U.S. drug-
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e capabilities.

m increase in drug
n 1990. The major
own on the

very inspirational. And if there's things that
these doctors have suggested that we can
do in addition to what I've proposed, we'll
try very hard to accommodate them.

Q. Mr. President, do you think the Amer-
ican public is going to hold you responsible
for solving the drug problem?

The President. It doesn't matter. I'll take
all the responsibility in the world. You see
these kids, and you want to try harder.

*Note: The President spoke at 10:15 a.m.
while visiting infants born addicted to co-
caine at D.C. General Hospital.*

The President's News Conference on the National Drug Control Strategy September 6, 1989

FY89- FY90 Percent increase	FY89- FY90 \$ Increase
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118	867
80	199
133	200
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The President. Hello, everybody. Please
sit. Well, I'm delighted that Dr. Sullivan
and Bill Bennett are with me—brought the
first team in to respond to questions, too.

I'm pleased with our announcement on
drugs. As I've listened carefully, there has
been little, if any, substantive criticism
about this national strategy. And listen to
the critics, if you will, but recognize that
you don't hear much substance. What
you're hearing the debate about is how one
pays for it or whether it needs to be more
in one category or another. I say that be-
cause I think that is a tribute to the work of
Bill Bennett and the others who helped for-
mulate this first-in-a-lifetime national strate-
gy.

Now, you're familiar with the strategy,
but let me just touch a couple of points and
then respond to your questions. It's a fully
integrated approach. We address all the ele-
ments necessary to an effective strategy:
school and drug prevention programs, treat-
ment, laws and criminal justice system, and
foreign policy.

On the laws and criminal justice system,
we sent a package up to the Congress sev-
eral months ago on anticrime, including
prisons and matters of that nature. And
some of our critics fail to understand that
that is already up there as a very separate
program, but one that ties in, as I tried to
point out last night, to our national strategy.

I'm determined that there will be no turf
problems. I think, as I look back over my
shoulder—and I had some role in the inter-
diction as head of a task force—we had
some turf problems. I think with Bill Ben-

nett's leadership, and he and I working
shoulder to shoulder, that we can eliminate
any of those that might still be lingering.
But we've got to work together, and it's not
just Federal; it's got to be State and local as
well.

There's a bipartisan consensus in this
country. I don't think there's any disagree-
ment about the gravity of the threat. And
that's important if you want to get some-
thing done. I'm challenging the Congress to
give us bipartisan support in the implemen-
tation of this strategy. And I'm looking to
the grassroots support of America's commu-
nities in the fight against drugs.

The evidence—I tried to point it out last
night, so I won't repeat it—the good news
being the decline in casual drug use. And
that's a significant point. If we can continue
that trend, it will make a big impact on the
drug market and on the lives of individuals.
The bad news, of course, being the persist-
ence of cocaine, the hard users and, of
course, the insidious effects of crack.

The criminal justice system—we're in-
creasing Federal funding to States and lo-
calities for street-level law enforcement.
We're providing Federal funding to States
for planning, developing, and implementing
alternative sentencing programs for nonvio-
lent drug offenders, including house arrests
and this boot camp concept. Boot camp
concept—I don't know, Bill, whether you
discussed that here this morning or not.

We're tightening bail and probation,
parole and sentencing—again, I touched on
that last night—requiring drug testing of
prisoners. It's interesting how the country

ough in taxes—and his logic leads you to suggestions as to how n to the Hill, and it ional taxes. And I've enough to know that g to be people out "More taxes." If it's will be for something cessary to fully fund at we came up with, t.

ents, I'm wanting to g. I'd be glad—oh, I ernational aspects, our commitment to familiar with our e the country is fa- for what the Colom-

ght here.

area suffers more lorida. Are you con- who live in these oods will very soon their homes again

get the proper sup- hey'll have a much t. And I can't sug- gending this program ggested it is going to that problem. It f.

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that we're so con- in the District of have been more ar. While most of gher proportion of

them are with handguns.

The President. Yes.

Q. Besides the ban on importing some types of automatic weapons, which we heard about earlier this year, does your plan address—or what can we do about the tremendous problem of keeping handguns out of drug dealers' hands, off the street?

The President. We do support local law enforcement, and as you're familiar with, there are very strong laws in the books on registrations, domestically—I mean in DC itself—not nationally, DC. And part of our backing up law enforcement is so that they can enforce local laws, and this is one. And there are plenty of laws and, regrettably, these criminals seem to have a way to acquire weapons even though the law in the District, for example, is very strong against it.

Taxes

Q. Mr. President, would you reconsider approaching the tax structure, if, by chance, within 2 or 3 years you see no relief with this problem through your drug strategy? Would you consider raising taxes at that point?

The President. If I thought the only way to get money to solve the drug problem was through increasing taxes, I would do that. But that is not the only way to get money for solving the drug program. And we have made proposals that are well up into the billions that don't require socking it to the taxpayer anymore. But if somebody could convince me that all the Federal programs that are in existence are perfect and need not be eliminated, or that there's no way to move funds from one account to another in 3 years, and the country was still suffering from this malaise, this sickness of drugs, I certainly would be openminded. But that isn't the case, and it won't be the case in 3 years.

Every time you make a proposal you have somebody jump up and say: Raise taxes! So, I am not in a mode to raise taxes. I am in a mode to move this national strategy forward and pay for it in the way we have suggested.

Q. I have a followup, sir. Do you have a backup strategy for this strategy in case—

The President. No, I think this one's going

to succeed. We're selling this one—we don't need backup. It's a good strategy, and we want it to work.

Q. Mr. President, the Democrats nevertheless have made it quite clear that they don't think your plan is strong enough across the board—not in terms of money but in terms of all the moves that you're proposing—and they pledge now to strengthen it. The question is: Will you resist their efforts, and is there any flexibility on your part to strengthen what you've already given?

The President. It's \$2 billion higher than the House level—that they're talking about in the House. They're carping—those partisan comments. Now, if somebody has a real, sincere belief that you need more in treatment and less in something, of course, the process will work this out. But this is \$2 billion more than the House level. And for a man to come to a meeting—one of the Congressmen yesterday—and he couldn't wait to get out on the lawn of the White House and say: Raise taxes! I'm not going to do that. We don't have to do it.

And this gentleman asked a very good question. But nobody is going to convince me that the people are paying too little in taxes. And it came up in the campaign; we just have differences with some of our political opponents. So, what I'm going to try to do is say: Look, let's work together on this strategy. Give it a try like this; see if it won't make an impact. There is some encouraging news. What's happening south of our border is encouraging.

Funding of Antidrug Programs

Q. Mr. President, yesterday your czar and Dar briefed us.

The President. What is my Dar? Deputy—

Q. Darman.

The President. Oh, Darman. Excuse me. [Laughter]

Q. According to your czar. They—in briefing us—they gave us the list of a number of items that they, and we believe you, are recommending might be taken off of other appropriations.

The President. Good.

Q. What are your thoughts on other

to the job. The problem is after the police make the arrest the system doesn't have enough resources to support the arrests through prosecution, conviction, and imprisonment.

International Task Force

Q. Sir, what exactly did you ask or talk to Mrs. Thatcher and Mr. Kohl about? And how close are you to a G-7 task force? Is that still something that's close to reality?

The President. Well, discussed with her a follow-on to what we discussed in Paris, and that was G-7 united support for Colombia. And she is enthusiastic about this, and Chancellor Kohl was enthusiastic about this. The ball—in a sense, really, the leadership of the G-7—is still in the French court, President Mitterrand. Chancellor Kohl is visiting with him this week. And so, I'm hopeful and very much encouraged by this united response.

Financial Priorities

Q. Mr. President, our Lieutenant Governor in New York, where I'm from, says that the increases you've given toward treatment and law enforcement—and, in fact, the whole budget—don't add up to the cost of one B-2 bomber. And people back home want to know, even though your commitment toward drug fighting is strong, why your financial priorities aren't more targeted toward the drug fight instead of toward military.

The President. This is Lieutenant Governor who?

Q. Stan Lundine, the State of—

The President. Oh, Lundine. Well, it's not surprising that some think the only way to solve the problem is by greater taxes. I don't know how Mr. Lundine is proposing the Federal Government pay for the program, but we've made suggestions here that I fully support. But you know, yes, the B-2 bomber is expensive, and, yes, it is important to the national security of this country. And, yes, it's easy for a Lieutenant Governor to make an analogy of that nature. But a President has a responsibility for both the national strategy on fighting drugs and the national security of the United States that hopefully will encourage the Soviet Union to move forward productively towards even

more arms control.

And so, I can understand that—that's a good free one out there, a big target. But I don't know whether this Lieutenant Governor is proposing the elimination of the Stealth technology bomber or not. I don't know where he's coming from, but I think he was using it as a dramatic example. And I am saying to him: We have stepped up by \$2 billion over the House level the resources for the fight against drugs. And so, you see, let me go back to the basic point, and then I notice Marlin's restlessness here. The basic point is this: Nobody is criticizing the strategy. No one is coming at us and saying you've left this out or left that out. And I'm very encouraged by that. I think that means that if we do our job properly in selling we can get support from Democrats as well as Republicans. We've got to do it. The country is fed up. They don't want it to be a Republican answer or a Democratic answer or a liberal or a conservative answer.

So, maybe he is attacking the strategy, and if so, I'd have to take it back—but I haven't heard any real substantive attack on the strategy itself. So, then you come to the question of whether it's enough or how are you going to pay for it? And there's a wide array of reflexive people up there who say "more taxes" for anything, and I don't think that's what the American people want. I have a funny feeling that something about the last election was: Are we being taxed too little? And nobody jumped up and said, "Hey, please tax me more." And I think we can do this significant increase without raising taxes. And I'm certainly going to do it without diminishing the fundamental national security requirements of the United States. And that's my responsibility, and I'm proud to shoulder it. And I think we've come up with a very good answer. And so, please—it's not your obligation, but we will try hard to convince your able Lieutenant Governor that the program we have makes good sense.

Health Education

Q. Mr. President, regarding the outreach issue in education, what role will community-based organizations and national organi-

e under this provision). Debarment List is the mechanism to implement sanctions, due to the thought benefits—including plans, contracts, and commercial licenses—that pursuant to section 5301. Applicant for Federal benefits certify that he/she is not in order that would bar Federal benefits. Proposal is designed to be in effect by November 1, 1989, or as soon as appropriate informational material is provided to the Federal and suitable denial forms developed to avoid any potential *Ex Post Facto* Clause of the statute shall be applied after September 18, 1988. Notice from offenses occurring on or after November 18, 1988. Notice of the date of enactment of this proposal, I am directing the Drug Control Policy to be implemented if additional changes or amendments are required after 6 months of legislative intent effective-

GEORGE BUSH

Letters were sent to Thomas H. D'Adda, President of the House of Representatives, and to the President of the

Director of the Office

Chief Counselor to the Secretary of Education in the Department of Education. Prior to this, he served as Chief Counselor for the Republican Party, 1987-1988; vice president, 1986-1987; and vice president, 1986-1987.

1987; and executive director of the Fund for America's Future, 1985-1986. In addition, he served as the chief of staff at the Republican National Committee, 1983-1985; executive assistant to Gov. Robert List of Nevada, 1978-1983; deputy campaign manager for Robert List for Governor, 1977-1978; and as a political reporter

and columnist for Reno Newspapers, Inc., 1975-1977.

Mr. Phillips graduated from the University of Nebraska (B.A., 1969). He was born June 8, 1944, in Whitesboro, TX. Mr. Phillips served in the U.S. Air Force, 1965-1970. He is married, has three children, and resides in Springfield, VA.

Nomination of Frank B. Sollars To Be a Member of the Board of Directors of the National Consumer Cooperative Bank August 30, 1989

The President today announced his intention to nominate Frank B. Sollars to be a member of the Board of Directors of the National Consumer Cooperative Bank for a term of 3 years. This is a reappointment.

Since 1939 Mr. Sollars has been a self-employed farmer. In addition, he has served as director of the National Cooperative Bank in Washington, DC, since 1980, and chairman of the board for the National Cooperative Bank, 1980-1988; director of Nationwide Mutual Casualty Insurance Co.

of Columbus, OH, since 1968, and as chairman of the board for the same company since 1972. Mr. Sollars has served as the director of the National Cooperative Business Association since 1975, and was chairman of the board for the same organization, 1985-1987.

Mr. Sollars was born June 29, 1921, in Fayette County, OH. He is married, has five children, and currently resides in Washington Court House, OH.

Remarks at a Luncheon Hosted by the Chamber of Commerce in Kennebunkport, Maine August 30, 1989

Well, what a magnificent picture! I'm looking around at this crowd, and I see a few faces old enough to remember that boardwalk that went along—[laughter]—all the way along Ocean Avenue there. And this is a very special occasion for Barbara and me, and we're delighted to be here. And I'm very pleased to be honored by the chamber.

I was afraid you might be feeling I had dishonored the community with some of the excesses that have taken place out here, but I want the record to show that when the bottom fell off of the starboard engine on our boat the other day—[laughter]—it was not an encounter with a lobster trap. [Laughter]

The Coast Guard guy went out and took a look at the reef off the point there and started to tell me that he thought maybe, accidentally, I had hit a rock. And I told him, "Look, rocks do not grow in these waters. I've been here for 65 years running around in a boat—find some other answer. Even if there is metal on the rock out there, I did not hit that rock." [Laughter] And as Commander in Chief of the Coast Guard, he changed his mind as I was talking to him, and—[laughter]—we now think it was a submerged board. [Laughter]

Barbara—this Barbara—thank you very much, Barbara Aiello, for this honor and for welcoming us to the community that we do love so much. I'm delighted to be back at

the Shawmut, where many of our press are staying and other friends that are traveling with us, and this hospitality—a few of them greeting us over here—the people working at the Shawmut. But it's a wonderfully warm feeling that we get from all of you, our neighbors in Kennebunkport and Kennebunk Beach and, of course, Kennebunk.

And it's a special time for me being here. We are doing some work, but I have confessed at the very outset that this is a pure, total vacation. And I'm not going to look busy in order to convince people in America that it's something other than a vacation. [Laughter] I mean, it's the way it is, and there are some hazards out there. Some of you have been on the golf course when I play, and that's—[laughter]—and other challenges.

One of them now is, we have a fleet of plastic toys that Barbara bought at some—I hope it was at a sale. There are many cars and little scooters and all out there, and it's a hazard to get out the front door, get into the car or into the boat, just to escape all these kids' playthings. But one of the great joys for us has been having our grandchildren here, and I expect that those in Kennebunkport will recognize a familiar scene as we prepare this year's Christmas card.

I'm not going to comment on the fishing—a vicious assault on my—[laughter]—vicious assault on my ability. I'm going to call the editor of the Portland paper, however, and present this to him: How would he call it? This morning, we got up and, through what was a rather heavy fog, went down to Whistler off Cape Porpoise and then down off of Woods Island. And here's my position: I was driving the boat, placing the boat so that Sandy Boardman, who was with me, could catch a bluefish—and she did. And I think they should knock off that advertisement on the front of the Portland paper that shows a bluefish with a big X through it—[laughter]—telling me that, yet a 13th day, I haven't caught one. I'm going to appeal to them on that one.

It's been a joy to be here. Barbara put it pretty well: that this is a place where we really enjoy ourselves—but more than that, kind of refurbish our souls and get our batteries all charged up and enjoy life really to the fullest. It's a point of view. You can feel

it in the land and in the water here. And I know that people that are members of this chamber and other visitors that we have here with us understand exactly what I'm talking about. Barbara has told you that I've been coming here every summer since 19—well, I was born in '24. And the only one I missed was the summer of 1944 when, like many of you, I was in the service. That's the only time that we missed being here. And there is a certain magic about the place.

Our kids live in five different States—one in Cape Elizabeth and the others, four different States—and for them, this is an anchor to windward because not far from where this picture was painted my mother was born in a house still standing right there—not too far from St. Ann's Church.

So, enough of the reminiscence, but it means renewal to us, a moment to reflect. And as Barbara said, some of my colleagues in the Government have had an opportunity to come here for substantive meetings. Today I can't wait to show off this heaven to the Prime Minister of Canada, his wife, and his four kids, who will be visiting us around the corner. And the other day it was the Prime Minister of Denmark and his charming wife. And as some of you all remember—in May, I believe it was—we had the President of the French Republic here.

And it is more than just inviting them to a lovely place, because I've found, as I will with Mulroney, that with both the Danish Prime Minister, Mr. Schlüter, and Mr. Mitterrand, you could converse and you could relax and you could really get to know each other in a wonderful setting. And though I don't believe foreign policy is determined on whether a foreign leader likes you or not, I do think it makes a difference if you can develop a good personal relationship. And you, our neighbors, have helped us in that regard, as we've had some distinguished foreign visitors here.

I appreciate the Outstanding Citizen Award. I don't know what the vote was on this one—[laughter]—but I want to tell you a true story. This came as a little bit of—well, it was good for my ego, that tends to mount when you get into this job from time to time. But they decided to name a public school after me. I think it was a junior high

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school, or maybe an elementary school, in Midland, Texas, where we lived for 12 years. And this is God's honest truth: The vote was either 4-3 or 3-2 in favor of naming the school for me. [Laughter] So, Barbara, I hope it was a little more one-sided than that in this—giving me this significant honor. But I really am pleased to accept it.

I know that the chamber of the Kennebunks is made up of a lot of entrepreneurs, and I would be remiss at a meeting like this if I didn't ask you to give me strong support. I go back to Washington to fight for a capital gains tax differential. I believe that small business—providing jobs to those who don't have jobs—small business entrepreneurs really are the backbone of this country in many ways.

And I am absolutely convinced that John Kennedy was right years ago—25 years ago or more—when he talked about the need to have a differential in the capital gains and, indeed, to call for a reduction in the capital gains tax because it stimulates the economy. It encourages risktaking; it rewards those who go out and employ others and start new businesses. And I am just convinced that it is good; I am convinced that it will help with our deficit, not inhibit the efforts I am making to get this budget deficit down in accord with the Gramm-Rudman targets. And so, I would ask your strong support to your very able congressional delegation as we now go back to battle for what I think is a good incentive for business people, men and women, small business entrepreneurs—those who have the courage to go off on their own and start new businesses wherever they may be. And I ask for your help.

Incidentally, I do believe we're going to get a good agreement on the budget deficit reduction package. I think it will be accomplished without raising the taxes on the American working man in this country. The problem still is this: It isn't that the working man is paying too little in taxes; it is that the Government continues to, for a lot of reasons, to spend too much. And I am going to continue to try to hold the line on taxes. And, again, I need your support there.

Right here in Kennebunk you've had some—Kennebunkport—you've had some examples of people that have been success-

ful. The owner at the White Barn Inn may be with us today. Is Laurie here? Laurie Bongiorno—over here—quoting him, perhaps to his embarrassment, but he said: "We have an opportunity to create value in our businesses by taking a longer view. This would be easier without the burdensome weight of the capital gains tax." And I think he's absolutely right.

George Bergeron—he runs a landscaping operation with a very unusual name. It is called George's Bush and Tree Service. [Laughter] I loved it when I saw that. [Laughter] But let me tell you about this guy. I don't know whether he's here or not, but—back here? Fantastic! Planning for his retirement, he says, "I left my work to go into business for myself. I took the risks and went the American way for the sake of my retirement. Wouldn't it be ironic," he continues, "if just as I was ready to cash in, the Government took such a big piece of the profit from me?" He's absolutely right. The backbone of our recovery—in October it'll be the longest in the history of the United States—comes from the small business man or woman, who then makes it work and goes out and gives jobs to other people. The best answer to poverty in this country is a job, and I want to keep this economic expansion going.

I was told to say just a few words, but let me end with just a little reference to the times we're living in, regarding our foreign policy and the challenges we face as a country. And you see the kids here, and it reminds me that just before I went on a fascinating trip to Eastern Europe, including Hungary and Poland, and then to Paris, the Polish journalists came into that beautiful, majestic Oval Office, and they asked me: "What would you tell a young kid in Poland today?" And I had in my mind as he asked me the question the numbers of people in Chicago and in Detroit, and indeed some in Maine, who have come to this country from Poland—the arms of the Statue of Liberty outstretched, then in the past as it is, thank God, still today.

And I thought about it, and then I thought about the change, the political change that's taking place in Eastern Europe—change far more dramatic than I

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could have conceived when I was in the Congress, say, 20 years ago. And I said, "If I were a kid in Poland, I'd always want to see the United States"—I'm thinking on this—"to see the United States as a beacon." But I told him: "If I were a kid in Poland, I'd want to stay there. I'd want to participate in the change because we are living in a fascinating time." And you look at what's happening in the Soviet Union, the changes of *perestroika*—reform, *glasnost*—openness. It's dramatic. It's new. The aspirations for freedom are there. And you see the changes again in Poland, where you have a Communist government change through free elections to a government that contains people mainly out of the *Solidarność* movement, the labor union movement.

So, the point I want to make to you is: We're living in exciting times. And I can say with confidence to these kids: If we do

our job right, if we handle the relationship with the Soviet Union properly, and if we then are smart enough and intelligent enough to delicately have the role of the United States be one of helpfulness in Eastern Europe, I think we can see a world where the peace is much more enhanced, or the threat of war—nuclear war, conventional war—greatly reduced. And it is an exciting time to be growing up in the United States, and it certainly is an exciting time to be the President of the United States of America. I like my job. I'm going to work hard for you. And thank you very, very much for this honor. Thank you so much.

Note: The President spoke at 12:24 p.m. at the Shawmut Inn. In his opening remarks, he referred to Barbara Aiello, president of the Kennebunk-Kennebunkport Chamber of Commerce.

News Conference of the President and Prime Minister Brian Mulroney of Canada in Kennebunkport, Maine August 31, 1989

The President. Well, why don't we get started on this scrum, as we call it. In the first place, Barbara and I have just been delighted to have the Prime Minister and Mrs. Mulroney here. And we had a chance this morning—it started out as just a chat, and ended up spending close to 4 hours talking about issues affecting not only U.S.-Canada but a wide array of issues affecting the whole world, as a matter of fact. As usual, I've learned a lot from the Prime Minister, and we've really had a substantive discussion. John Sununu and Brent Scowcroft dropped in for some of the discussion. And I can say this—and I'll let the Prime Minister have equal time—that the relationship between the United States and Canada, a most significant and important relationship, is in good shape.

I have found, just in the short time that I've been in this job, and with respect to the—certainly the Prime Minister with much more experience in leading a country

than I—but I have found that I can either pick up the phone and talk to him with a frankness that is very important, or in a visit of this nature, which we deliberately billed as a private visit, talk to him with no holds barred. We agree on almost all the major issues. And where Canada and the U.S. may have bumps in the road, we can talk very frankly. He is always very frank with me, expressing the Canadian point of view so strongly, and gives me a chance to understand that position. And of course, I feel no inhibitions in telling him where the United States is coming from.

And though we have a few more hours of this most pleasant visit—from my standpoint at least and, thus, from the standpoint of the United States, it's been an unusually productive visit. And I'm just again, Brian, so pleased, sir, that you are here.

The Prime Minister. Thank you, Mr. President. Thank you, George.

Well, I really am here to give you the

covery and adventure, that is surely drawing us to a new destiny on new and far distant worlds. You are privileged to be the generation that will witness the first large movement of men and women into space. And as this happens, I know that the Boy Scouts of today will be in the lead. Thank you for inviting me to your Jamboree. God bless you, God bless the Boy Scouts of America, and God bless the United States of America. Thank you all.

Note: The President spoke at 10:44 a.m. at Fort A.P. Hill. In his remarks, he referred to G. William Swisher, Jr., chairman of the National Jamboree; Ben H. Love, chief Scout executive of the Boy Scouts of America; former Scout Curtis Hawkins; entertainer Calvin Grant; and Col. John R. Bourgeois, USMC, Director of the U.S. Marine Corps Band.

Statement by Press Secretary Fitzwater on the Execution of Lieutenant Colonel William R. Higgins

August 7, 1989

The Federal Bureau of Investigation today released the results of forensic examinations of the videotape purported to be of Lieutenant Colonel Higgins. Mrs. Higgins was informed of the results by the Commandant of the Marine Corps, General Al Gray. President Bush called Mrs. Higgins at about 2 p.m. to offer his support and encouragement. The President said the U.S. Government will continue to do all it can to obtain a full accounting of what happened to her husband.

Note: Lt. Col. William R. Higgins, USMC, chief of the U.N. peacekeeping force in southern Lebanon, was kidnaped on February 17, 1988, and executed by pro-Iranian terrorists on July 31, 1989. After examining a videotape released by the terrorists, FBI forensic experts and pathologists concluded that, although a positive identification could not be made, the person depicted in the videotape probably was Lieutenant Colonel Higgins and that he was "within a reasonable degree of medical certainty" dead.

Remarks at the National Urban League Conference

August 8, 1989

Thank you very much, Dr. Watson. And to you, my friend John Jacob, thank you, sir—Tony Burns, the chairman, and all the other Urban League leaders. I single out my Cabinet-mate, Secretary Kemp. I'm delighted that you're here, Jack. Thank you all.

You know, Jack told me coming over that you had a moment of silence—a prayer, really, for Mickey Leland, my fellow Houstonian. And let me just say that we have been in touch with the Government of Ethiopia and the United Nations to learn the whereabouts of Congressman Leland's

plane. Our Secretary of Defense, Dick Cheney—seeing what he can do in terms of search assets.

I think it says a lot about Mickey that he was on his sixth humanitarian mission to help feed the hungry in that part of the world, and so, I would just like to join you all in what you did this morning to say that our thoughts and prayers are with him. I talked to Alison, his wife, late this morning—earlier this morning, I guess. She's strong, has a lot of hope. And we all pray that he's safe and that he and the others with him on that humanitarian mission will

spoke at 10:44 a.m. at remarks, he referred to Jr., chairman of the Ben H. Love, chief of Boy Scouts of America; entertainers; and Col. John R. Bourne of the U.S. Marine

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John R. Higgins, USMC, peacekeeping force in Iran kidnapped on February 1989. After examining the terrorists, FBI anthropologists concluded positive identification of the person depicted in the photo was Lieutenant Colonel John R. Higgins. "Within a medical certainty"

of Defense, Dick Cheney can do in terms of

about Mickey that he is an anti-semitarian mission to kill in that part of the world just like to join you this morning to say that the others are with him. I have a wife, late this morning, I guess. She's a peace person. And we all pray for him and the others. The anti-semitarian mission will

be found and that they'll all be safe. And we will, I can tell you as President, do all we can to learn what has happened.

I want to speak to you today about the state of urban America, about the future that I see for American cities and for the many millions of Americans who make them their home. In many respects, let's face it, urban America offers a bleak picture: an inner city in crisis. And there is too much crime, too much crack, too many dropouts, too much despair, too little economic opportunity, too little advancement, and—the bottom line—too little hope. But there's something else that's true about our inner cities, something we can't overlook, something the Urban League has worked tirelessly to strengthen; and that's a core community that is simply too strong to succumb, a community where there is too much faith, too much pride, too strong a sense of family not to fight back—whatever their challenge, whatever the odds.

But the challenge for urban America is a challenge for all America. It's a challenge for my administration. It's a challenge every American must embrace. The condition of our inner cities isn't a matter of charts and graphs and these cold statistics. It's more than an exercise in sociology or public policy. It's a question of how people live their lives, a question of human dignity; and it's a challenge that I take to heart. Your problems are my problems; your hopes, the hopes all Americans hold dear. Today I offer you my hand, and I offer you my word: Together we will make America open and equal to all. And together we must and will find a way to stop the decline in our inner cities, to restore hope, and make the nineties a decade of urban renaissance.

And whether we succeed depends on how well we meet three key tests. First, we must strike down barriers to advancement and opportunity for American minorities—and strike them down for good. And second, we must create conditions for urban growth and economic revival, conditions that leave no one behind. And finally, we must secure the most fundamental right of all: the right of young and old alike of any race to walk any street without fear.

Let me start with equal opportunity. Not just in urban America but across this nation,

we must continue the crusade for equality. Just over a week ago, a collection of scholars released a monumental study called "A Common Destiny: Blacks and American Society." It offers detailed evidence of the progress our nation has made in the past 50 years in living up to American ideals. But the study makes clear that our work is far from over. The great gulf between black and white America has narrowed, but it's not closed. And closing that gulf, eliminating it for all time, is the next chapter we must write in the unfolding history, the unfinished history, of civil rights. And that chapter will be written because today, as in the past, advancing the cause of equal rights is in keeping with our highest ideals. It's the right thing to do.

Think back to 1954, the Court's decision in favor of Linda Brown; a year later, another decision, Rosa Parks' refusal to go to the back of the bus; the 1960's, the passage of the Civil Rights Act, the Voting Rights Act, Fair Housing; and in this decade, the elevation of Dr. Martin Luther King to a place of honor among American heroes. It was the right thing to do. And today, when our challenge is securing true equality for every American, once again, we will succeed because it's the right thing to do.

Discrimination—of course it still exists. Race hate, born of ignorance and inhumanity, still exists. The day of the poll tax is over. The day of Jim Crow is gone. Today bigotry and bias may take more subtle forms; but they persist, and as long as they do, my work is not over; your work is not over; our work is not over.

Before I go on, I want to make sure everyone in this room knows just exactly where I stand and just where my administration stands. My administration is committed to reaching out to minorities, to striking down barriers to free and open access. We will not tolerate discrimination, bigotry, or bias of any kind, period, just as Dr. Watson said.

Now, we've all spent a lot of time over the past two decades debating the best means of ending unequal treatment. And we've argued—I've even argued with John Jacob; you try that one on for size—we've argued, society's argued, about affirmative

action, about quotas, about goals and timetables, about set-asides and 8-A firms. Well, while society's been debating these important issues, society's also been changing. The economy's been changing. Our world, the world our children will inherit, is changing. And part of the change is the progress we have made—hard-fought changes in which the Urban League can take pride. Part of the change is simply a matter of the dynamics at work in our world.

Take the economy: We're used to thinking of unemployment as a case of too many people and too few jobs. I remember playing musical chairs when I was a little kid—a game of musical chairs. And all too often, it's the minorities left standing when the music stops. In the 1990's, into the next century, our problem—our nation's problem—will be just the opposite: more than enough jobs and too few people qualified to fill them.

The last of the baby boom generation are in their thirties. And there's been a slowdown in the number of new workers that are entering our economy, and that's going to continue into the 1990's. Talk to any demographer, and they'll tell you that's true. New works will be in demand—new workers—and the simple fact is that 8 out of every 10 new workers will be women, minorities, and immigrants. Think about what that means. Think about it: For every child growing up today—black or white and, yes, urban or rural—there will be a job waiting. The question, our challenge, is whether they'll have the education and the skills that they need to seize that opportunity. And that's the new frontier for civil rights.

Opportunity means education. The jobs open to the 21st century worker are going to require higher skills. And never has education been more important than for the next generation, for the first-grader—today's first-grader—who is a member of the high school class of the year 2001. The package of education initiatives that I sent to the Congress this spring will make a difference for urban America and for American minorities. And I've called on Congress to provide a \$250 million increase in funds for Head Start, a key program in getting disadvantaged children ready for school.

And back in April, I signed an Executive order that will strengthen our nation's historically black colleges and universities and expand opportunities for their students and their graduates.

In many urban schools, the key is creating a sound learning environment, one that keeps the dropouts in and keeps the drugs out. And that's why I've called for the creation of urban emergency grants to help clean up schools hit hardest by the drug scourge. Education is the way to turn dreams into reality, and even in the inner city, every kid has a dream.

And opportunity means job training, building the employment skills and basic literacy ability that everyone needs to get and keep a job. For 6 years now, the Job Training Partnership program has been equipping the disadvantaged youth to enter the work force, to start that climb up out of the poverty trap. JTPA—it works. The proof is its 68-percent success ratio, and we're working to make the program even stronger. Last month we introduced amendments to the Job Training Partnership Act to target it more tightly on at-risk youth, kids with the most urgent need for job training.

But growth creates jobs, and the future of urban America depends on bringing growth to our inner cities. One entrepreneurial answer to inner city poverty—and I salute my Secretary of HUD for being in the foreground on this one—is enterprise zones. Enterprise zones can be a source of jobs, growth, and advancement. And the payoff isn't simply economic. When you create jobs, you create hope. We've debated the idea of enterprise zones long enough. And I've asked Congress to create at least 50 enterprise zones between now and 1993, and now is the time for action.

But enterprise zones are meaningless if we don't create economic incentives for urban expansion. And that's why I've also called on Congress to enact changes in the Tax Code that will make enterprise zones magnets for capital, magnets for job creation. And I'm talking about incentives to increase investment, to open a flow of seed capital into urban areas. And if we're going to make inner cities attractive to new capital, individuals who invest in enterprise

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And we've also got to reward risk-taking. I've proposed a zero capital gains rate for eligible business investments in enterprise zones. If you take your capital and go there to invest, you ought to have that as an incentive to put the business where the jobs must be for outside—[applause]. It should be a powerful incentive for outside investors and a rate of return fitting for urban entrepreneurs.

And I'm talking about incentives for working people. We want to establish what's known as a refundable wage credit for low-income employees in enterprise zones. In many cases, this credit will cut the taxes of low-income workers to zero. And for some low-income families who already owe little in taxes, a refundable credit will not only take them off the Federal income tax rolls; it will put money in their pockets.

Opportunity, education, advancement, equality: each is essential. But we can't talk about the future we want to see for urban America without talking about the number-one threat in our inner cities today. You know what that is, every one of you: illegal drugs. And you know the simple truth: Our inner cities cannot become centers of opportunity as long as they are battle zones in a drug war.

A little over a week ago, our Secretary of HHS, Dr. Louis Sullivan, released the newest statistics—maybe some of you all saw it in the paper—the newest statistics on illegal drug use in America. The statistics show two trends, one positive and one profoundly, earthshakingly disturbing. Overall use of cocaine has declined by almost half—testimony to the years of dedication and hard work of parents, educators, religious and community leaders, all determined to end this plague. But our greatest challenge is yet to come. Frequent cocaine use—frequent use—is up sharply.

And that means while our message is getting across to the casual user, hardcore drugs, drugs like this insidious crack cocaine, are tightening their grip. And that's grim news, that's bad news for the United States of America, because crack, crime, and violence—they're the unholy trinity in our inner cities. And urban communities suffer the most. And when the crackhouse

is on your block, and when the stray bullet from a drug war shootout kills some mother sitting on her porch, and when parents and teachers and churches struggle to teach the values of honesty and hard work and then find themselves up against the fast-money lure of the drug trade, there's a certain hopelessness.

But our children can live and learn in peace. Urban communities can thrive again. And that's why we've got to combat drug violence, and that's why we've got to eliminate fear, and that's why we've got to create a climate of hope. The Federal Government is doing its part. We're going to do more. We've taken forceful action to speed up the eviction process for drug dealers in America's public housing. And in less than a month, we'll unveil a new national drug strategy, our comprehensive battle plan to wage the long, hard fight against illegal drugs.

And there's a message that I want to send today, all out across this country, to all law-abiding Americans: The war on drugs is a battle that can't simply be waged from Washington, DC. When I was in Chicago last month, I asked this nation's Governors to pass laws in each of their States that parallel the tough Federal stand that we've taken against illegal drugs. And today I ask each of you to do the same at the local level, in urban America. Let's put more police on the streets, tougher laws on the books, build the jail cells that we need to put drug criminals where they belong—behind bars—and, in my view, keep them there. Let's not point the finger or look for scapegoats. Let's enlist every asset that we have, form a united front, and fight this war together.

There are some who say—and you've heard it—the state of urban America is hopeless. The National Urban League doesn't believe that. I say they're wrong. We've got to see past the stories on the 6 o'clock news and past the statistics. We've got to see the potential for progress; we've got to see the face of hope in our inner cities.

And, now, I'm not afraid to say we've got hard work ahead of us: We've got to wage war on poverty and wage war on despair

and wage war on the hopelessness that robs us of our future. And I want to tell all of you here today: I'm not going to relax in this job, or rest, until I know that I have done everything in my power to ensure that we succeed, that every child in our inner cities has a shot at a good job, that every kid stays in school and gets a quality education—yes, lives in decent housing in a neighborhood free of drugs, fear, and violence. We've got to work together to achieve these goals. I know we will, and I know why. John, you know why. Jack Kemp, Dr. Watson, you know why. Everyone here today knows why: Because,

simply, it is the right thing to do. Thank you, God bless you, and God bless the United States of America. Thank you very, very much.

Note: The President spoke at 2:25 p.m. at the Washington Convention Center. In his remarks, he referred to Bernard Watson, John Jacob, and M. Anthony Burns, senior vice chairman, president and chief executive officer, and chairman of the National Urban League, respectively, and Secretary of Housing and Urban Development Jack F. Kemp.

Remarks on Signing the Financial Institutions Reform, Recovery, and Enforcement Act of 1989

August 9, 1989

Well, Secretary Brady and Secretary Jack Kemp, Chairman Greenspan, Senators Riegle and Gramm, and Congressmen Wylie and Gonzalez, and other distinguished Members of the House and Senate, ladies and gentlemen, and friends: Thomas Jefferson once observed that "the care of human life and happiness, and not their destruction, is the first and only legitimate object of good government." And today we gather here to sign legislation, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which reaffirms those words.

This legislation comes to grips with the problems facing our savings and loan industry. It'll safeguard and stabilize America's financial system and put in place permanent reforms so these problems will never happen again. And moreover, it says to tens of millions of S&L depositors: You will not be the victim of others' mistakes. We will see—guarantee—that your insured deposits are secure.

And this, of course, was government's intent when, in 1933, it created the Federal Deposit Insurance [Corporation]. And yet as that system incurred massive loans over the past couple of decades, the fund designed to protect depositors itself became insol-

vent. And the crisis has been told and retold: The Federal insurance fund was unable to make good on its commitments to the public or to close insolvent institutions, and—their losses mounting—hundreds of bankrupt institutions were allowed to continue operating.

On February 6, I announced a plan to change all that: to protect insured depositors and to responsibly finance the closing or other resolution of all insolvent institutions. And we sought to abolish lax regulations, to increase penalties for wrongdoing, and to reform the financial system. And above all, we sought to protect those who have relied on government to faithfully fulfill its obligations.

I take a special pleasure in the historic legislation that I will sign here this morning. For the Task Group on Regulation of Financial Services, which I was proud to chair, began the effort to strengthen our financial system. And its work, and that of many others, was debated and refined by the United States Congress—and you see it here, all 371 pages of it. And, no, the bill is not perfect, but it is a first step, a crucial step, toward restoring public confidence. H.R. 1278 is responsive and responsible, and for that I salute the Congress. This bill

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ident spoke at 2:25 p.m. at the Convention Center. In his address, he referred to Bernard Watson, president of M. Anthony Burns, senior president and chief executive officer of the National Urban Development Bank, and Secretary of the Urban Development Bank Jack F.

Reform, Recovery,

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balances America's need for financial security, competitiveness, and equity.

In particular, I want to thank two committee chairmen, Senator Don Riegle and Representative Henry B. Gonzalez, here with us today for their superb leadership in an extraordinarily difficult proceedings. And they were aided by Senator Jake Garn and Representative Chalmers Wylie, who helped make these proposals a reality; and of course, Senator Phil Gramm, who I mentioned earlier; and numerous other members of the banking and other committees, from both sides of the aisle, who took up the cause of the public's interest.

And then there's my friend, the Treasury Secretary, Nick Brady, whose dedicated efforts have been vital and whose leadership has been truly outstanding. And so have those of Director Dick Darman, over here, the head of the OMB. I'd also like to mention Richard Breeden of the White House. I'd be remiss not to salute hundreds of others on the staffs of the various regulatory agencies and congressional committees. They, too, deserve our thanks.

And because of them, of you here today, and so many others, this legislation will give us the tools to make our thrift institutions and our financial system as a whole strong and stable. With this bill's substantial funding, we will begin—here and now—to eliminate the ongoing losses of the insolvent firms and to ensure that not one dollar of insured funds will be lost by any depositor.

Toward that end, this legislation abolishes the agency once responsible for thrift supervision. And in its place a new agency will operate as part of the Treasury Department, ensuring the taxpayers' interests will always come first. And at the same time, a completely new insurance fund will protect deposits in thrift institutions. The obligations of the new fund, called Savings Association Insurance Fund, SAIF, will be fully guaranteed by the full faith and credit of the United States. The new seal displayed here symbolizes this new fund and our commitment to protecting depositors.

Good steps? I'd say vital steps, and this legislation goes still further. Beginning today, penalties for wrongdoing by officers and directors of insured institutions will be increased up to \$1 million per day. And

criminal penalties will be toughened from yesterday's slap on the wrist to the clang of a prison door. Those who try and loot the savings of their fellow citizens deserve, and will receive, swift and severe punishment. And also, starting today, tougher requirements for safe and sound operating practices will begin to take effect. Never again will America allow any insured institution to operate normally if owners lack sufficient tangible capital to protect depositors and taxpayers alike. And today, too, we begin using the new resources available to accelerate the resolution of failed institutions and to recover every possible dollar from their assets for the taxpayer. And at the same time, we will seek to minimize adverse impact on local markets.

These reforms will help our system right itself. For while the S&L crisis isn't behind us, we have met and passed our first critical test. More hard choices, more challenges, lie ahead. But we will meet them as we have this challenge—consulting, cooperating between Congress and the executive branch. And as we do, we will keep the new Federal deposit insurance system solvent and help serve those millions of small savers who make America great—the local paperboy looking ahead to college or the young couple dreaming of their first home, the retired teacher whose savings are her entire lifetime. We have a commitment to protect the savings of these Americans and millions like them across this country, and we will honor that commitment.

And so, together, Republicans and Democrats, we can keep America's economy number one in the world. We can and will preserve a safe, efficient, and equitable financial system for ourselves and, yes, for our kids. So, thank you all very much for coming here and for your support, both past and future, because plenty of work lies ahead. Thank you all very much and now, I'm proud to sign this monster.

Note: The President spoke at 10:49 a.m. in the Rose Garden at the White House. In his remarks, he referred to Secretary of the Treasury Nicholas F. Brady; Secretary of Housing and Urban Development Jack F. Kemp; Alan Greenspan, Chairman of the

Board of Governors of the Federal Reserve System; Senators Donald W. Riegle, Jr., Phil Gramm, and Jake Garn, chairman and members of the Senate Committee on Banking, Housing, and Urban Affairs, respectively; Representatives Henry B. Gonzalez and Chalmers P. Wylie, chairman and

member of the House Committee on Banking, Finance and Urban Affairs, respectively; and Richard C. Breeden, Assistant to the President for Issues Analysis. H.R. 1278, approved August 9, was assigned Public Law No. 101-73.

Informal Exchange With Reporters

August 9, 1989

The President. Well, first let me welcome His Eminence, Cardinal Law, once again to the White House—a friend of longstanding and a man for whom I think we all have great respect. But I just want to suggest that this weekend, each in our own way, that we say a prayer for the American hostages, for their family, and indeed, for world peace. I believe in prayer, and I think it would be most appropriate with the situation that we consider this. So, I would ask the churches and other places of faith to say a special prayer this weekend.

U.S. Hostage Policy

Q. Mr. President, you seem to be moving away from the Reagan interpretation of what is a negotiation. You have fine-tuned it in the Boston Globe interview. To really make it specific, is there a subtle change, any change?

The President. I don't think there's any subtle change from the report that I signed, and indeed was the father of, sponsored obviously by President Reagan. I'm not going to do anything that would put some other American, perhaps in some other place, at some other time, at risk—and that means trading off or negotiating for hostages.

Q. But you are talking, and when you talk you obviously are—

The President. Excuse me, Helen [Helen Thomas, United Press International], I hope I'm openminded enough to talk and to exercise every diplomatic channel I can to free these Americans. No American is going to be content until these people are free, and I would be not doing my job if I didn't approach it in that manner.

Q. Well, isn't talking really trying to find

out what their terms are and trying to persuade?

The President. I'm not talking about terms; I'm talking about talking to get people out that are held against their will. And I think I covered that pretty well in my inaugural address when I said good will will beget good will. And if ever there was a clearer signal, in my view, that's it. So, I repeat it. And if there are changes taking place and signals that are shifting, I don't want to miss a signal. The life of every single one of these people is too precious for me to be sticking my head in the sand and miss some subtlety in this highly complicated corner of the world. So, we are in touch with as many people as possible, anyone that I think can help either me or the Secretary of State or others who are in contact with them. We're going to keep on doing that.

Q. Is it possible to even discuss the question of the Iranian assets and the United States unfreezing them without encouraging the taking of other hostages?

The President. I'm not going to go into the details of the question you've asked. I've seen conflicting statements coming out of Iran on this question. And my view is to make the statements unconflicting, and my view is to do nothing that will be seen as quid pro quo for hostages.

Q. Mr. President, is it possible for you to elaborate on what you mean by that? How you—

The President. No.

Q. No?

The President. No, it's not possible for me to elaborate on it.

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ities and member of the National Council on the Handicapped, 1988 to present. Prior to this, he was founder and chief executive officer of Japan Tupperware, Ltd. Mr. Dart has served as Commissioner of the Rehabilitation Services Administration, 1986-1987; member and Vice Chairperson of the National Council on the Handicapped, 1983-1986; member and chairperson of the Texas

Governor's Committee for Persons with Disabilities, 1980-1985; and chairperson of the Governor's Long Range Planning Group for Texans with Disabilities, 1982-1984.

Mr. Dart graduated from the University of Houston (B.S., 1953). He was born in Chicago, IL, in 1930. Mr. Dart is married and resides in Washington, DC.

The President's News Conference July 28, 1989

The President. Well, in the past 7 months, many distinguished Americans serving in congressional, State, and local offices across this country have decided to change their party allegiance from Democrat to Republican—men and women of great diversity, but they're united by a deep devotion to this nation's traditional values, to building an economy that provides growth and opportunity, and to ensuring that America stands for peace with freedom in every corner of the globe. They represent a growing ground swell of support, a new majority that sees the Republican Party—our Grand Old Party, the grand new party—as best able to lead a strong America through the decade of the nineties into the new millennium.

And so, it is a great privilege for me to welcome to the Republican Party a man who stands by the faith of his principles and has helped keep America free: Arkansas Representative Tommy Robinson, a man of exceptional caliber. Tommy Robinson is a man of the people, a man who believes in straight talk, hard work, and getting the job done—rebuilding our defenses; standing up for veterans, for small business; and fighting the war on drugs. So, Tommy, welcome to our party.

Representative Robinson. I'm on the wrong side. The Democrat—he looks to his left. [Laughter]

The President. Well, I should—my welcome—your party, the Republican Party—we look forward to working with you. And I'm going to ask the Congressman to say a

few words, and then both he and I will respond to some questions. I might welcome my old colleagues, John Paul Hamerschmidt here and Guy Vander Jagt—two classmates of mine in the Congress who feel as enthusiastic about this as I do, and also, of course, our party chairman [H. Lee Atwater].

All yours.

Representative Robinson. Thank you, Mr. President, for your kind words of welcome to the Republican Party. I am grateful for your confidence and support. I look forward to working closely with you in building an even stronger America in Arkansas.

Public service has been the cornerstone of my life. I have served at the local, county, State, and Federal levels for the past 30 years. I chose a life of public service because my parents taught me that if you work for the government, you work for the people, you serve people. My parents raised me in the tradition of Harry Truman: lunch-bucket Democrats and patriotism without apology.

But today, to best serve the people of Arkansas and to stay true to the values of my family and an ever-increasing number of Arkansans, I can no longer be a member of the national Democratic Party. This is a very personal, private decision. It has been long in coming, because frankly, I hoped that the national Democratic Party would come back home and once again be in touch with the mainstream of the American people.

But even after losing five of the last six

lion to \$30 million a day. I'll take the fault, responsibility, when we're slow getting legislation up. We've been criticized, and I think properly so, on a couple of subjects—not getting the legislation there on time; but on this one, I think the Congress has taken too long to resolve the matter. And there are others. The defense budget's not a question of timing so much as it is the mix on our strategic system. So, I would not give Congress very high marks on doing what I want done on legislation. Putting their spin on it, why, that's something else.

Q. Do you think this is just a harbinger of things to come—a Republican President working with this Democratic Congress, converts notwithstanding?

The President. Nobody ever said it would be easy in this department.

Capital Gains Taxes

Q. On a related matter, there are some fairly intense negotiations on your capital gains tax cut proposal going on right now. Are you willing to accept some kind of an index on the capital gains rather than the cut you've asked for as an alternate that might be more acceptable to Democrats?

The President. Look, what I want to do is see capital income at different rates. I want what's known as the differential. And so, let's see what can be worked out. If there is some compromise that can spur investment, spur jobs, increase employment because of new jobs starting up, I'd be interested in it. And so, I want to see what could be worked out; I don't think I should ever say it's got to be done just this way in terms of the bills up there in the House Ways and Means Committee right now.

But I have a good, sound proposal, and it was tested—it was one of the things, I think, that was clearly in focus in the campaign. And the other side, particularly the liberal Democrats, particularly, attacked me as having some kind of a tax favoring the rich. It's nothing like that at all. It will stimulate jobs. It will encourage small business creation, and I stand for it. And if there's some way that that can be achieved by changing the proposal I sent up there—fine, I'm willing to listen.

Q. Is there a compromise in the works?

The President. Well, there's been some

discussion, and I can't tell you how far along it is, but there has been some discussion. I want to see something happen. I don't want to fall on my sword. I want to see this country have more job creation, and that would be a part of this. And I want to get on with the job of balancing this budget eventually.

Representative Robinson's Party Affiliation

Q. Mr. President, when Senator Phil Gramm of your adopted State resigned his House seat, he switched parties and resigned his seat. Have you advised Congressman Robinson that that would be the noble thing to do, to see if the voters approve of that conversion you've just announced?

The President. Well, I don't know that he needs any advice from me, just like Phil didn't seek any from me in that regard. But you can ask him the question if you want.

Q. Congressman, do you plan to offer yourself for election as a Republican?

Representative Robinson. That sounds like a typical Democratic question.

Q. Awww!

Representative Robinson. Let me say this, let me say this: I represent 550,000 people in the Second District of Arkansas—Democrats, Republicans, independents, and people, quite frankly, that don't care about any of the three above. We have no party registration in Arkansas. Republicans vote for me, Democrats, Independents, the like. I am not going to resign. I am going to be a good Republican Congressman over the rest of this session of Congress and work very hard for President Bush.

The President. Thank you.

Aviation Safety

Q. Mr. President, the airline passenger group would like to see the DC-10 planes grounded in the wake of that accident in Sioux City. There have been other concerns about hydraulic problems with planes. Are you concerned at all about the safety of our fleet, and do you have any opinion about the grounding of the DC-10's?

The President. I don't have an opinion about the grounding, but any time there are accidents of this nature you are concerned. The Safety Board is doing a thor-

ough investigation, obviously, on the flight coming out of Colorado. And I expect the Department of Transportation has taken a hard look at this in the light of the two recent happenings, but I can't really give you a judgment as to whether I personally feel the answer at this juncture is the grounding of this fleet.

Flag Desecration

Q. On the flag desecration amendment, there was testimony to the Judiciary Committee that, however you word it, such a constitutional amendment would make an exception for the first time in 200 years to the first amendment. I wonder if you have any misgivings about the possibility that you may be weakening the first amendment?

The President. I thought about it, Saul [Saul Friedman, *Newsday*], because I don't want to weaken anything. But I feel so strongly that a very carefully drawn amendment can solve this problem that I don't worry about it, because I also fall back on the fact that the Founding Fathers did provide for the amendment process and—but it's not a—I mean, I don't have disrespect for those who want to find a different answer.

The thing that I think is heartening is that there's a wide array of support for doing something about this question—people that have, maybe in the past, not been identified as I got to be over some years in this department. So, I don't question motives on this one, but I know what I think is right; and I know what our attorneys have advised me is right, given the recent Supreme Court decision. And I also would say I don't think this does violation to the Constitution of the United States. If I did, I wouldn't be making this proposal.

Capital Gains Taxes

Q. Mr. President, if I could follow on capital gains. If the goal is to generate new investment in jobs, why not design the tax so that it only applies to new investment and long-term investment rather than providing a windfall for people who already hold assets?

The President. Because I think there are also revenue aspects of it, so when you turn over in accordance with this capital gains

proposal, you're actually going to increase revenues to the Federal Government, as happened when the Steiger amendment was passed. So, it's not a revenue loser.

Counterespionage Measures

Q. Mr. President, without discussing the specifics of the Bloch case, could you tell us whether you would support random polygraphs or some other increased security measures to lessen the possibility that this might happen in the future—that espionage might happen in the future?

The President. Well, when I was head of the intelligence community, I supported the polygraph program there in CIA. I'm not sure that it needs to be extended to other agencies. I am one who is very concerned about the security implications of this, but polygraphing, regrettably, has taken on a concept of being against somebody's rights, like drug testing in a sense. And I think it's got to be very careful, because you want whatever program you have to be effective. You don't want to discourage good people from signing up. But I haven't rethought my position, if that's the question, in the wake of the allegations against Mr. Bloch.

War on Drugs

Q. Customs Commissioner von Raab has said that the war on drugs by the Federal Government is a dismal failure, that the State Department is the Department that wasn't there, that Treasury Secretary Brady is disengaged and disinvolved in the war on drugs. I suspect I have an idea what your answer to that might be, but it is true that drug use is way up, that Congress has not funded the drug programs that have been passed in the last couple of years. What can you say, in light of those facts? How could you dispute Commissioner von Raab—if, indeed, you'd like to do that?

The President. Well, I don't see much reason getting into a—I want to phrase this very politely—[laughter]—a match of any kind with Willie von Raab as he leaves the Government. And I think he's worked very hard in his field at Customs. I worked with him when I was on the Vice President's task force that I headed up.

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tation of the Vienna Convention on illicit traffic in narcotic drugs and psychotropic substances.

- Conclude further bilateral or multilateral agreements and support initiatives and cooperation, where appropriate, which include measures to facilitate the identification, tracing, freezing, seizure and forfeiture of drug crime proceeds.
- Convene a financial action task force from Summit Participants and other countries interested in these problems. Its mandate is to assess the results of cooperation already undertaken in order to prevent the utilization of the banking system and financial institutions for the purpose of money laundering, and to consider additional preventive efforts in this field, including the adaptation of the legal and regulatory systems so as to enhance multilateral judicial assistance. The first meeting of this task force will be called by France

54) *International Cooperation Against AIDS*

We take note of the creation of an International Ethics committee on AIDS which met in Paris in May 1989, as decided at the Summit of Venice (June 1987). It assembled the Summit Participants and the other members of the EC, together with the active participation of the World Health Organization.

55) We take note of the representations that we received from various Heads of State or Government and organizations and we will study them with interest.

56) *Next Economic Summit*

We have accepted the invitation of the President of the United States to meet next year in the United States of America.

Note: The declaration was not issued as a White House press release.

The President's News Conference in Paris July 16, 1989

The President. Well, we've just concluded 2½ days of intensive and productive meetings with the summit counterparts on economic and political issues. And let me take this opportunity, first of all, to thank President Mitterrand for his most gracious hospitality.

The summit, in my view, was a clear success. We met in a time of sustained economic growth and agreed that the prospects are good for the continued expansion without inflation of that growth. It was against this backdrop that we conducted a wide-ranging discussion on critical global issues, from East-West relations to the growing environmental challenge that we face.

We came to Paris at a truly remarkable moment. The winds of change are bringing hope to people all around the world. And who would have thought just a few short years ago that we would be witness to a

freely elected Senate in Poland or political pluralism in Hungary? I was really touched by what I saw and heard in those two countries—people determined to keep their dreams alive, people determined to see a Europe whole and free. And that's why America brought to this summit our determination to support the reform movement in Hungary and Poland. People yearning for freedom and democracy deserve our support, and it's because of the community of values shared by these summit countries that we were able to agree to meet soon to discuss concerted action that will help Poland and Hungary.

Democracy and economic growth go hand in hand, whether in Eastern Europe, the Summit Seven, or the developing world. And therefore, much of our discussion here in Paris centered on economics. We reaffirmed our international economic

at the letter—in that context.

Future Economic Summits

Q. Mr. President, in connection with next year's summit, there's been some talk among some of your people about possibly having it in your home State of Texas, possibly in San Antonio. And I wondered whether you'd like to see that.

The President. Well, I'd have to run that by the Dallas Morning News and see how they felt about it, but that's a distinct possibility. However, it's too early, no decision has been made. The fact that Jim Baker is from Houston and I'm from Houston and Bob Mosbacher's from Texas should have nothing to do—[laughter]—with where the next summit's going to be, and there has been no decision.

Q. That wouldn't mean some discrimination against Dallas because of your roots?

The President. No, none whatsoever. Get that down. The fall elections are up in 19—Charles [Charles Bierbauer, CNN]?

Q. Let me follow on the question about summits. These things have gotten a lot bigger than they were originally planned to be—hundreds of your people, thousands of us. It's your first summit, but you've got to host the next one. Have you given any thought to how you want to do it in terms of style?

The President. No, but, I'll tell you, the part—and I'm the new boy, the new kid in school—but the part I found most interesting was the unstructured part, the part where you sit with these other leaders, tell them what you think, listen carefully to what they think. And that happens sometimes in the corridors or sometimes before a structured seminar, sometimes at a meal. And I would like to think that the more emphasis we've placed on that kind of interaction, the better it would be.

But there was no discussion by the summit interlocutors on how to restructure it. Indeed, it went smoothly. And I will again say that Mr. Mitterrand handled the formal part very well. But for me, I'd like to see more just plain unstructured interaction between the leaders, where you don't just have to talk on the agenda items.

Space Exploration

Q. It'll be 20 years next Thursday that man first landed on the Moon. There are some people in your administration that would like for you to announce on Thursday that we're going to go back to the Moon, possibly even to Mars. Can you and Dick Darman find that kind of money in the budget?

The President. Well, you put your finger, John [John Cochran, NBC News], on some of the real problems—the major problem—on setting major goals for space exploration. And whether we will be ready by next week or later this week to make any momentous announcements, I'm not sure. I have not made a decision on what we will say on that historic day.

Q. Would it be too quick going in on it with the Soviets, though?

The President. Well, that has been suggested. And some, as you know, discussion have gone on—not, I don't think, recently—between us and the Soviets on this. But certainly the concept of international is not offensive to me. But we'll have to wait and see because no decision—

U.S. Economy

Q. Mr. President, Friday's economic indicators show some weakening of the U.S. economy. Apparently, some of your summit partners expressed some concern about that. What assurances did you give them and can you give us that we're not headed for a recession?

The President. Well, you know, ironically, none did express to me their concern about the U.S. economy stalling out. We really didn't get into that discussion. I must say that from time to time it is a matter of concern to me, and thus I've tried to think through with our Secretary of the Treasury and others the concept of how the interest rate structure should be. But I've had no indication from home, nor had we picked up any here, that they felt that the U.S. economy was going to move towards a recession. And that's the thing, of course, that you'd want to guard against.

Our growth has not been as robust as the growth in some other countries, but we're still moving. And when you have a several-

24
SINGAPORE

Wants to tell the American public.
Oil Co.
22 years in banking

Had a job interview yesterday
Unemployed executive meetings
talking to people who are
frankly here for
FOCUS

min. to
vote, doesn't care.
We need something now!
not off the first of year.

Nov 06, 1991

President George Bush
White House
1600 Pennsylvania, Ave, North West
Washington, D.C. 20500

Come out w/ a program now
I don't think we looking like election
patience

Dear President Bush,

I have written this letter to address several issues that are of great concern to me and my family.

I am 47 years of age and have been employed all my life until September when I was laid off.

I have a 21 year old son who has been going to college part-time and working part-time but now is also out of work. I have a son who is in college full-time and a daughter who is a senior in high school. My wife holds down two part-time jobs to help make ends meet, while I do what I can to keep the household duties current such as cooking meals, laundry, cleaning and so on, while attending unemployed executive meetings and searching for employment.

My family income has been cut by more than half and even though we have supported such programs as PROP, Food Stamps, AFDC, Medicaide and others through tax deductions we qualify for none and can not afford health care under COBRA.

In my home state of Maine the job market is very bleak to say the least and I see no real relief in sight in the near future.

I can not say where my family will be four or five months from now, but the issues that face us, and thousands of families like us, need to be addressed and resolved now, not tomorrow, but today.

I am very proud that we have raised three children all of which have never been in trouble. I have a nice home that I have lived in for seventeen years and a great wife that has been very supportive, but these times are placing a great strain on my family as I am sure it is on many others across this country.

Mr. President now is the time to come to the aid of the American people. We need your help to put people back to work, we need an affordable health plan for all Americans, and we need unemployment insurance to be extended. We can not afford to wait any longer while more and more Americans are placed out in the cold with no where to turn. I was told that charity began at home, therefore

Voting to much.

207 657 3531

ready
cur

the time has come to look after the well being of the United States first and the rest of the world second, as I am sure the rest of the world could care less about Americans who are out of work.

The American people need to know that you mean what you say. Go on television, outline your plans to make this happen and then follow through. Go to the Senate floor and lay you cards on the table for all to see.

*weird
tax
deduct* { I heard on a radio talk show two ideas to jump start the economy and they were, to create a tax deduction for the purchase of a new car and I might add to that a used car as the auto industry needs that kind of help, and allow people to borrow on there IRS's to purchase first time homes and make both effective for this tax year.

divulge { These are just some of our ideas why can't Government with all it's resources come up with sound ideas of its own, do less talking and generate more action? If we eliminated one B-1 bomber wouldn't that cover the cost of 26 weeks of extended unemployed compensation?

I feel as strongly as you do that a strong defense is what we need, but we have enough atomic weapons to destroy the world ten time over. Its time now to cut defense spending and put those funds to better use by cutting the deficit and putting people back to work so America and its people can be proud once again.

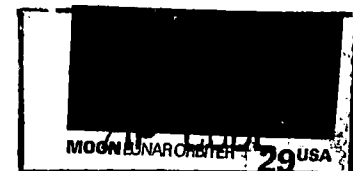
President Bush, I voted for you, and have supported your ideas, but I must say that my faith is beginning to falter.

I hope this letter reaches you, and if it does I thank you for taking the time out of your busy schedule to read it.

Sincerely,


Barry K. Emmons

Barry Emmons
P.O. Box 21
Gray, Me. 04039



President George Bush
White House
1600 Pennsylvania Ave, North West
Washington, D.C. 20500

