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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 7, 1989

PRESS CONFERENCE
BY THE PRESIDENT

The Briefing Room

11:10 A.M. EST

THE PRESIDENT: Well, as you know, we got cancelled out of Lancaster, Pennsylvania, and Wilmington today. And so I thought it might be an opportune moment to stay indoors -- take a few questions. The Lancaster trip has been rescheduled for the 22nd of March. And I look forward to going there -- talking to the people and really discussing that community participation in drugs.

I want to take this brief opening statement -- opportunity to restate my belief that free collective bargaining is the best means of resolving the dispute between Eastern Airlines and its unions. I continue to feel it would be inappropriate for the government to intervene and to impose a solution. This dispute has gone on for more than 17 months, and it's time for the parties involved to get down to serious business and reach an agreement. The action-forcing event, in this case, is the strike. And that is the tool at the disposal of labor, and they're properly going forward with that. Management and the labor now have to find a settlement.

But let me just say that I hope my position on secondary boycotts is well-known. Thankfully, these boycotts have not yet materialized, and I hope they don't. Temporary restraining orders have been in effect yesterday and today in the New York and Philadelphia areas. But even when those restraining orders lapse, I remind all parties that secondary boycotts are not in the public interest. And I will send legislation to Congress to forbid them if that is necessary. It is not fair to say to a commuter on a train coming in from Long Island that you're going to be caught up and victimized by a strike affecting an airline -- simply isn't fair, in my view.

Secretary Skinner has been monitoring the situation from the very beginning -- my view on top of it. The Department of Transportation and the FAA have taken every precaution to ensure airline safety during this period. And I understand that the pilots are talking about a work slowdown beginning today. Certainly, I must recognize their special concerns for safety during this period. But I also would urge them not to make the traveling public -- the innocent traveling public a pawn in this dispute.

So that's my view on the airline strike. And I hope that it is settled in the traditional way -- management, labor sitting down and working out an agreement.

Wait a minute. We've got to go to -- protocol has -- sorry about that.

Q Mr. President, your struggle to win the confirmation of Senator Tower and the seeming lack of direction has caused a lot of criticism that your administration is in drift, there is malaise. What is your response and what are you going to do about it?

THE PRESIDENT: My response is that it's not adrift and there isn't malaise. And I talked to a fellow from Lubbock, Texas, the other day, which is the best phone call I've made, and he said all the people in Lubbock think things are going just great. And so -- and he is a very objective spokesman, a guy that -- (laughter) --

MORE

Q Do you really think you're doing fine when nobody knows where --

THE PRESIDENT: I think we're on track.

Q -- and nobody knows where your administration is going --

THE PRESIDENT: Well, let me help you with where I think it's going. First place, in a very brief period of time we addressed ourselves to a serious national problem, the problem of the S&L bail out. That is still moving forward. It takes a little time. I've challenged the Congress to act.

Secondly, we came up in a very short period of time with great amount of detail, far more than the two previous administrations, regarding the budget -- sound proposals. The number one problem facing this country in my view is getting this federal budget deficit down. Not only did we address it, but we addressed it in considerable detail and talks are going on right now to try to solve that problem.

I've taken a substantive foreign policy trip that took me not only to three countries, but where I met with, I think, some 19 representatives of 19 countries and talked about their objectives and mine for foreign policy. Our Secretary of State has not only touched base with all the NATO leaders but has had a productive meeting with Mr. Shevardnadze. The defense reviews and the other foreign policy reviews are underway. And I will not be stampeded by some talk that we have not come up with bold new foreign policy proposals in 45 days -- not going to be.

So I think plenty of substantive things are going on. And then I have made clear -- you saw my statement on the CFCs on the environment. Our environmental man is over there, Bill Reilly, a very able administrator, attending a conference that will then lead, in my view, to unilateral proposals by the United States, not in terms just of CFCs, but other global environmental matters.

We are confident of the confirmation of Bill Bennett and he is charged with a six months mandate to do something -- map out the drug problem. And he will be very serious about going forward on that.

I appointed early on an ethics commission which will be -- has been meeting and will be coming out with I think sound proposals, and so we'll start moving forward legislatively there.

I spelled out in my speech an education agenda and that will be followed -- the speech -- very shortly with legislative initiatives.

We're moving forward with our volunteer approach -- this national -- the Organization to Pursue National Service -- under Gregg Petersmeyer here in the White House.

Our Secretary of HUD has taken some fact-finding trips and made some good comments, speeches, about our objectives in terms of the homeless.

So I would have to urge, and everyone here is familiar with my position on child care -- that's going to take legislation, but I think the Congress clearly knows where we want to go there.

So I would simply resist the clamor that nothing seems to be bubbling around, that nothing is happening. A lot is happening. Not all of it good, but a lot is happening.

Q Mr. President, you mentioned your Asian trip. Now

MORE

one of the issues that arose there was a -- kind of a disagreement or a dispute with China over a dissident attending your dinner. And it seemed that you failed to raise human rights in your meetings with Chinese leaders. Is this going to be your preference for conveying harmony rather than confrontation over human rights?

THE PRESIDENT: No, it was raised. When Marlin spoke to you the beginning of the trip there in China and said it hadn't been raised, he was right. It hadn't been raised publicly in the meetings with -- that I'd had up to that moment. I believe Deng Xiaopeng was the one where he spoke. But it was raised by me personally.

But you know, there's two schools of how you do the human rights agenda. I think that President Reagan was correct when he raised the human rights agenda with the Soviets privately rather than beating his breasts and doing it publicly. And I think the results have been rather penetrating, still a long way to go with the Soviets. But I have not only raised them, but the very invitation to that dissident that they thoroughly disapproved of shows our public commitment to it. And there was a reference to it in a speech. So, it all depends how you, how -- in our toasts -- so it all depends, you know, what approach you take. But I think quiet discussion is a good approach to try to effect the human rights objectives that I feel very strongly about.

Q On that regard, on human rights, will it always be the first thing you mention with the Soviets, as it was under President Reagan?

THE PRESIDENT: I don't recall it always being the first thing because the last meeting I attended with him and Mr. Gorbachev it was raised, but it wasn't the first thing. But it will be high on our agenda. I confidently expect that Jim Baker will continue to raise it. And yes, it will be an agenda item.

Q Mr. President, on the air strike, your opposition on Capitol Hill, many of the Democrats up there, wanted you to intervene in the strike. Should you have to go to Congress for emergency legislation to deal with secondary boycotts, it is likely they are going to say no, no, we want you to intervene first. If the Eastern pilots succeed and the machinists succeed in imposing secondary boycotts, you seem to be on a collision course there, will your policy hold firm?

THE PRESIDENT: It will hold firm. The Secretary is testifying, I think, at this very moment about the kind of legislation you're talking about, and some wanting to compel the President to convene this Board. So there are two schools of thought. I still feel that the best answer is a head-on-head, man-to-man negotiation between the union and the airline. And I think that is better and more lasting, incidentally -- the agreement that would stem from that -- more lasting than an imposed government settlement which could cause the airline to totally shut down.

So I think there could be some, you know, confrontation. But I will stick with my view and I will keep -- and if, indeed, innocent parties are threatened through the secondary boycott mechanism, I will move promptly with the Congress. And what'll you'll -- what would happen -- and I don't want to buy into a lot of hypothesis here -- but you would have an outcry from the American people on the basis of -- that I mentioned about that commuter. It is not fair to, you know, have innocent people victimized by a struggle between Eastern Airlines and the Machinists Union.

So there may be a different -- a closely fought contest and I know there are some widely differing views on this.

Q If that should happen, sir, you must recognize that there'd be great pressure on you to at least stop it for 60 days. Are you intent on not doing that?

MORE

THE PRESIDENT: I'm intent on staying with what I've outlined is our administration's policy. And it is the correct policy. And I think it's the best way to have a solution to this question.

We'll go right across here and then start -- go ahead.

Q Mr. President, back to Helen's question -- this sort of sense that's developing that -- let's say the John Tower fight is sapping you of your ability to get on with other issues. How long are you willing to fight this fight, let the debate go on? Are you ready to now call for them to have a vote, say, today or tomorrow, just to get this behind you one way or the other?

THE PRESIDENT: No, no. Because, Lesley -- first place, there's two major principles: Fair play, and secondly; the right of the President to have -- historical right -- to have who he wants in his administration. And I've heard a lot of judgments on Tower, based on reports -- hearing people reading the same report and coming out with difference judgments. I want him. I believe he is the best man for the job. There are a lot of historical precedents behind my desire to have him and you might say, right to have him, barring any very clear-reason not to. And, therefore, I will stay with it.

And secondly, it's the Senate that controls when they vote or not. And I will leave that to Bob Dole and George Mitchell, both of whom I think are conducting themselves very well.

There's a follow-up -- yes.

Q May I ask you a question about the -- chain of command question? Because the Senator admits to excessive drinking, which would disqualify him for a job in the so-called chain of command. Does this not disturb you at all -- that that's the qualification for a job?

THE PRESIDENT: No, I think he'll measure up to that qualification. Indeed, he has said he'd never touch another drop of liquor and you'll have 25,000 people in the Pentagon making sure that's true. So what -- I mean, here's a, I'd say, a fail-safe guarantee -- doesn't bother me. And I --

Q The past?

THE PRESIDENT: No, I think he -- I think when you look at the record and look at the testimony as I have -- and I haven't had one single Senator, not one -- served with him over the years -- say, I have seen him, my first-hand evidence is, this man is ineligible because of his consumption of spirits -- not one. And isn't that a little bit unusual.

So I go right back to the President's right to have his choice. Let's keep it on a nonpartisan basis. I would just urge that both Senator Nunn and George Mitchell have told me, wait a minute, this isn't a partisan fight. And I would simply ask that they keep reiterating that to those senators who may not have made up their minds with finality and let's go to a vote. But I'm not going to pull back on this.

And, Lesley, it isn't iron-willed stubbornness. There's a question of fundamental principle here. And I've spelled out my call for fair play. And I'm going to keep reiterating it. So let the Senate work its will. It's not going to hurt. And this concept that you can never work in the future because people disagree with you in the Senate -- I simply don't accept that.

Q Mr. President, you have said that the FBI report guns down the accusations against Senator Tower. And yet, you have also said that there can be no release in practical terms because of

MORE

the confidentiality of people interviewed. Had you given consideration, given the problem with the nomination, to asking those interviewed to waive the right of confidentiality, so that the public doesn't have to take your word for it as to the degree to which this report exonerates the Senator or the opponent?

THE PRESIDENT: Or the word of the opponents, yes. We have thought about that. And I'm not sure where the -- where our Counsel's office stands on it. But I'll tell you that the precedent is troubling. When you take testimony and then -- and certainly you can't go ahead and release them, and I just could not do that. And I think it's very damaging in the future.

So I'm saying, I have read it. This is my view. And it's inhibiting because it does confine the debate on the floor. But I really worry about the precedent. So I have not been pushing for sanitization and then release or for selective release or for -- I hadn't thought about this concept of going to somebody and say, would you release us from confidentiality? I think that would chill future proceedings.

Let's go back in the back. We're not -- right in the middle back there.

Q Mr. President, you mentioned yesterday in the speech to the VFW that this 90-day deadline that you had imposed on yourself for the strategic review might slip because you said that the results wouldn't be rushed. Is there going to be a new deadline? And is the fact that you don't have a sitting defense secretary contributing to that?

THE PRESIDENT: I hope there's not going to be any slippage. I want that. I want the budget review. I want the management review completed by then. And look, not having a defense secretary in place -- no question that it's an inhibiting factor. But I went over to the bureau the other day -- I mean the Defense Department -- in a trip that was interpreted for one purpose and what I went over, really, for was a more -- was another purpose. And the purpose I went over there for was, please understand we've got to keep these reviews going forward. And I am very grateful to those people, some of whom won't be there in a new administration. All of whom -- or most of whom had served in the past administration -- for seriously addressing themselves to these various reviews. I hope we can make the target. The minute that's made -- the target is made and the review comes, then we have a lot of decision-making.

But I want to -- I don't want to be foot-dragging. And therefore, I'm going to try to keep the heat on without slippage there.

Q The head of Eastern Airlines, Frank Lorenzo, is from Houston, Texas. Is he a friend of yours? Did he give money to your campaign? And one of his vice presidents is on your staff as head of Congressional relations. Is he giving you advice?

THE PRESIDENT: He has recused himself, as I understand it, from the Eastern Airlines, and he's not giving me advice. I know Frank Lorenzo and in all probability he gave money to the Bush-Quayle campaign.

Now, follow up?

Q Does that influence you in any way?

THE PRESIDENT: No, it does not influence me in any way.

Q Mr. President, this is supposed to be -- the theme of the week is drugs this week, and you mentioned again this morning your commitment to ridding the country of drugs. But your designate for drug czar, William Bennett, has said that as part of what -- the

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way that he would like to help end drug violence would be to consider a ban on semi-automatic weapons, which is opposed to your own viewpoint. And we're getting more and more evidence from doctors and police that there's gunfire in the streets and wounds that they haven't seen since the Vietnam war because of these weapons. What do you say to people whose families have -- family members have been maimed by these kind of weapons?

THE PRESIDENT: I say the same thing I say to a person whose family has been maimed by a pistol or an explosive charge or whatever else it might be. Fire. This is bad, and we have got to stop the scourge of drugs, and I talked to Bill Bennett about that because I -- I said, Bill, what can be worked out with finality on AK-47s? What can be done and still, you know, do what's right by the legitimate sportsman? I'd love to find an answer to that, Rita, because I do think that there has to be some assurance that these automated attack weapons are not used in the manner they're being used. So I'd like to -- and I told Bill -- I said, look, I'd -- don't worry about what you said up there. I said, I can identify with what was behind your thinking on that very, very easily.

I'd like to find some accommodation. The problem, as you know, is that automated AK-47s are banned, and semi-automated are not, so in they come and then they get turned over to automated weapons through some filing down. It isn't as easy as it seems to those who are understandably crying out "do something, do something."

But I've tasked Bill -- I've said, Bill, work the problem. Find out. And I'm not so rigid that I can't -- if you come to me with a sensible answer that takes care of the concerns I've felt over the years, I'll take a hard look at it and I'll work with you to that end.

Q Mr. President, do you support the Republican Congressional Committee's decision to make Jim Wright its number one target next year? And doesn't that conflict with your --

THE PRESIDENT: Hey, listen, I've got enough fights on my hands now, Dave. (Laughter.) I'm not looking for any more. Let the Congress do its thing, and I'll just stay right where I am plugging away on a matter of principle for a battle that's going on in the -- I'll let you know if I want to take on any more.

Q Mr. President, on foreign policy, there is some confusion about how you feel about linkage, about linking Soviet good behavior, particularly in Central America, to granting them technological transfers and economic credits. If Gorbachev helps you in Central America, specifically in Nicaragua, are you willing to help him economically?

THE PRESIDENT: Look, the more cooperation we can get on regional objectives, our regional objectives -- in this instance, the democratization of Central America -- the more help we can get towards that end by the Soviets with pulling back their large amount of military support, the better it would be between relations. So there is linkage.

But when it gets to the specifics of what I'll be willing to do, that will come out under this whole policy review. But we are not going to back away from agenda items, including regional tensions. And when something good happens, give some credit. When Soviets come out of Afghanistan, which happened here not so long ago, give them credit for that. When you get lightening up a little bit on the question of Soviet Jews or something of that nature, give some credit.

So there is -- don't know exactly how to help you in terms of how much linkage there is, but there's clearly got to be some linkage.

Q Sir, you've been getting cables back from Vienna from Secretary of State Baker, he's been meeting with Foreign Minister Shevardnadze. Is Shevardnadze saying anything encouraging along this line?

THE PRESIDENT: Well, I haven't gotten -- I haven't seen the overnight cable from Baker reporting on that meeting, so I can't comment. I read some reports of what Shevardnadze said in terms of conventional forces and it looks to me like he's moving towards the oft-stated public position of NATO in this regard, and that is good. Where it's not a question of numbers you take out, it's a question of the numbers that are left when you finish taking troops out. So I think there's been some encouraging, but I have not yet seen the Baker report and I haven't talked to him since his visit.

Q Mr. President, non-military aid to the Contras will run out at the end of the month. Do you plan to propose new aid to the Contras and some package of carrots and sticks for the Sandinistas?

THE PRESIDENT: Well, I hope there are some -- I hope there is some understanding on the Hill that these people must not be left without humanitarian aid. And we have already -- through the Secretary of State before he left pointed out that that was my inclination -- was to strongly support the appeal for humanitarian aid. We simply cannot, and I will not, leave the Contras out there with no humanitarian aid at all, ability to stay alive at this juncture.

Q But will you -- will the package include some promise of renewed military aid depending on the Sandinistas' behavior at this point?

THE PRESIDENT: We are talking, as I think the Secretary said the other day, about how best to move the process of democratization forward. I had a very interesting talk with Mr. Cervezo on that. And I am hopeful that before the 90 day period is up, you know, on the presidents coming out, that we can get some very clear statements. But in terms of humanitarian aid, I don't think there will be much resistance to that at all.

Q Mr. President, on another regional question, Yassar Arafat has refused to criticize any of the raids within Israel that have been carried out. Is he backing down on his promise against terrorism?

THE PRESIDENT: I hope not and I'd like to see him forthrightly condemn any terror that might be perpetrated by the Palestinians. I stop short of saying he's condoning it or that he is furthering it, I'm not saying that, but I'd like to see him speak out. It would do wonders, it would be very good for future dialogue.

Q Well, is he jeopardizing the dialogue as it sits now?

THE PRESIDENT: To the degree terroristic acts are condoned, it doesn't help the dialogue.

Q There is a school of thought in Washington, Mr. President, that perception is often reality or becomes reality. The perception is that your administration is floundering, that the White House staff is inept. How do you deal with that? How do you turn that around?

THE PRESIDENT: I ask for your forbearance and leadership in this regard, pointing out all the things that I spelled out in the beginning, comparing that in terms of appointments. I've spared you the statistics on appointments, which I had prepared, because one of the hits is, "you haven't sent up any names, you haven't done anything about names." And so I would refer to my

notes, Gerry, if that's all right -- and I have lost my notes on this. No, here they are. And in terms of the Reagan-Bush administration, at this juncture, 55 names as of March 6th had been announced. On the Bush-Quayle administration, 67 had been announced.

So it's not bad. We're a little bit ahead in terms of announced names. Now, you've got some different problems here because one is nomination, the other is intent to nominate. And intent to nominate means there's still some more paperwork to be done. But in terms of who we want in place, we're moving along all right. I'd like to see it faster, of course.

But that's one of the allegations, disarray. First, I have great confidence in my staff. And every Chief of Staff goes through this drill where he gets saluted for his brilliance and a month later, gets attacked for his something else. And I have total confidence in John Sununu; he knows the way this town works, he has the respect level that comes from being -- there he is -- (laughter) -- the respect level that comes from being a Governor. And so we're all used to this. Hey, this is light compared to what it was like about a year ago in my case. So that's why I still feel relaxed.

But the point is to -- if you would just write down all those wonderful things I told you that are happening and get it out to that wide readership, it would be very helpful to me. And I think -- and also, I refer you to the phone call in Lubbock. (Laughter.) And that is, never get all -- too uptight about stuff that hadn't reached Lubbock yet. And be sure that there's some accomplishments going on --

Q Is that your Peoria?

THE PRESIDENT: -- accomplishments going on that people can say, wait a minute, there's quite a bit happening here.

Q If I could follow up, is there a danger here, sir? Is there a potential danger if the perception lingers?

THE PRESIDENT: You're in a better position to answer that than I am. However, I think -- you know, I come back to the Tower -- I think people are fair. They are not making up their minds on perceptions; make them up on facts. And I am one who felt that way coming out of the campaign. That's why I go back to that. It was a very important thing to me what happened out there about a year ago and what -- here I stand here.

And so I don't think the American people make up their minds on perceptions. I think they make up their minds on facts. Now, you can have various waves of approval or disapproval, but I think if we can just get our message out on the facts the way I've spelled them out here, I think we'll do fine. But I've --

Q Mr. President, I'd like to ask you about one of the facts that you cited in your list. You said the budget that you sent to the Hill has more detail than any -- than the budgets of the last two administrations. I'm a little confused about that. What are you referring to since yours did not list any of the domestic --

THE PRESIDENT: More detail has been sent to the Hill at this time in our administration -- let me clarify that -- than at any time for either the Reagan administration in 1981 or the Carter administration in '77. They hadn't gone up with near this amount of detail to the Hill. And we have a document that we should pass out to you because it is quite important that this be understood.

One more.

Q Mr. President, you've --

THE PRESIDENT: Make it two. Two more -- one, two.

MORE

Sorry.

Q Thank you, sir. You've heard the commentaries and read the articles about the -- as have been described here -- the foundering and the lack of ideas of the administration. I'm wondering what your reading is on the motivation for all of this at this point in the administration.

THE PRESIDENT: The motivation for these groundless stories? (Laughter.) Let me see what it would be.

Q They're coming from Republicans and Democrats.

THE PRESIDENT: Well, who are some of the sources? Help me and then I can give you the motivation. Give me two Democratic sources and two Republicans that have said this, and then let me try to --

Q Kennedy.

THE PRESIDENT: Ted Kennedy? Enough said.

Q You have David Gergen's commentary.

THE PRESIDENT: And do you have him down as an objective journalist or a Republican?

Q Maybe both.

Q Republican.

THE PRESIDENT: Republican? Well, I think he's wrong. (Laughter.)

Q But what do you think the motivation is, coming at this particular point --

THE PRESIDENT: Look, I told you what I think. Go back and look at history -- it kind of goes in cycles. But I'm not deterred at all. And I've seen them and I've seen some of the things that are cited in the stories as evidence of this, and I just disagree with the facts. So keep on doing your job; that's my answer.

Q Well, sir, one more crack at the "hitting the ground crawling" concept here. (Laughter.)

THE PRESIDENT: I read that -- I give -- sorry about that. Go ahead.

Q You made much, sir, during your campaign of how close you were to President Reagan eight years, you were very much involved and so on. What is the need then, sir, for these 90-day reviews that you keep referring to? Why do we need three months to review our strategic policy, our foreign policy?

THE PRESIDENT: Because it is a prudent thing to do. You have new people in the administration; you have rapid change inside the Soviet Union; you have certain things going on inside the Soviet Union we're not particularly sure about; and it is prudent at the beginning of any new administration, with new people involved, to have strategic and management reviews in the Defense Department. It's prudent to take a hard, new look at some of the problems that plague us in terms of the Third World. It is prudent in terms of our -- some of our domestic objectives, although they're quite a bit clearer, Ellen, it seems to me, and we just have a question now of getting legislation to match those objectives that I spelled out in that report to the Congress.

Q Well, then, to follow up, sir, in terms of the

MORE

prudent review, have you come up with any novel or remarkable new approaches to old problems?

THE PRESIDENT: Well, the reviews aren't completed yet. Stay tuned. We might well do just that. Really surprise the socks off you.

Q Can we have an economics question?

Q One economic question?

THE PRESIDENT: No, those are the ones that get you in trouble -- (laughter) -- those economic questions. I feel pretty good about the economy, though.

Q How about an Atwater question?

THE PRESIDENT: An Atwater question?

Q Yes. You're going tomorrow to speak to the United Negro College Fund. Right now, the students at Howard are protesting Atwater on the board of Howard. Do you think they have a legitimate grievance of Atwater's conduct during the campaign?

THE PRESIDENT: No. No, and I think it's a good thing he's on the board. I think it's a good thing he's going to talk to these students. And I think that will work out just fine. He's doing a first-class job.

Q Would you like to see John Tower defend himself before the actual Senate board?

THE PRESIDENT: I would not presume to recommend to the Senate what it should do, but Bob Dole knows that he has my full confidence in the way he's handling this matter in the Senate.

Q Even though it's almost unique, would you like to see it happen?

THE PRESIDENT: I have told you my answer. I don't think the White House -- I think we've got to be very careful here that we don't try to dictate procedures to the Senate. I have full confidence that the leader, if he decides to propose that with finality, will be doing what he thinks is best and I will strongly support him.

Q Have you found any other Democrats?

Q See you in Lubbock.

THE PRESIDENT: You didn't even ask for my source, which I would have traded you for some of yours.

THE PRESS: Thank you.

END

11:41 A.M. EST

1 born in Savana. He earned a BA, Master's and Ph.D. in
2 mechanical engineering from MIT before taking a teaching
3 job at Tufts and then running two small consulting
4 firms.

5 John Sununu moved from Massachusetts to New
6 Hampshire in 1969 to avoid having to pay high taxes, of
7 course. Some conservatives think that might have been a
8 mistake. After all, had Sununu stayed in Massachusetts,
9 he could have run for governor against Michael Dukakis
10 and who knows what might have happened.. I might have
11 been here this evening introducing Chief of Staff,
12 George Bush.

13 The Governor will speak for about 20 minutes
14 and then we'll probably have another 20 minutes or so
15 for him to take some questions.

16 Governor, welcome.

17 GOVERNOR SUNUNU: Thank you very much. First
18 of all let me acknowledge what a pleasure it is to be
19 here this evening.

20 What Time does annually, almost annually, for
21 putting such a group as this together is well known and
22 I appreciate a chance to be a part of, as I look at the
23 agenda, what appears to be a superb and first-class
24 group of people that you will have talking to you and I
25 would hope that the pace they're going to put you

1 through and the quality of what they have laid out for
2 you is reflected in the end of it with satisfaction on
3 your part, that you've gotten, the wrong phrase is your
4 money's worth, at least your time's worth in more ways
5 than one.

6 I don't want to correct too much on the
7 introduction, it's never polite to do so. I do have one
8 point that I feel is crucial. I moved to New Hampshire
9 not for taxes. We continue to pay the Massachusetts
10 taxes, but for quality of life. The distinction is all
11 the difference in the world. Sometimes it is not
12 appreciated, that distinction, and that has created the
13 problems in Massachusetts because they don't understand
14 the difference yet.

15 Let me talk a little bit this evening about
16 what I think has happened over the past few weeks in
17 Washington under the Presidency of George Bush, talk
18 about it in the context that I believe we have tried to
19 lay out for ourselves within the White House. The
20 President's agenda is a fairly clear agenda. Talk a
21 little bit about how it was done, what may correspond to
22 what your perspectives from the outside are. Some of
23 the points, however, may be a bit different than you've
24 seen. Talk a little bit about where we're going and
25 really open it up to questions, which is probably where

1 it will be most interesting because then we'll get a
2 chance to talk about what you want rather than what I
3 want.

4 I think it's been an interesting three
5 months. It's been the first quarter of the first year
6 of four -- at least the four of the first term, we look
7 at it as an eight year commitment -- but it is important
8 to place it in the context of at least one quarter out
9 of 16 quarters because the President has made it clear
10 that his agenda is a long-term agenda.

11 I think all of you are familiar with the
12 traditional self-examination that takes place in both
13 the public sector and private sector of this country
14 where we generally chastize ourselves for taking too
15 short a view of things, concern raised about
16 corporations being worried more about quarterly earnings
17 than the long term. To a great extent that same
18 criticism applies to public institutions. Where all too
19 often people are worried about the next poll result or
20 whatever measurement may be coming up in the short
21 term.

22 The President very clearly, just before his
23 election as we started to lay out the program and
24 certainly in the days since, has made it painfully real
25 to his staff. He insists that we look at the long term

1 and deal with issues in terms of long-term benefits,
2 long-term results and not just worry about what's going
3 to happen in the press to us or in the polling structure
4 that short-term period of time.

5 In that light he has been willing to deal with
6 some problems that have been on the horizon, have been
7 part of the obligations in Washington in some cases for
8 a number of decades. Within about two weeks the
9 President sent up legislation on savings and loans, an
10 issue that had been around for a long time, an issue
11 that people generally acknowledged needed something
12 significant to be done with and yet there was a lot of
13 suggestions and recommendations that it be dealt with
14 the same way it had been for the last two decades in
15 terms of a band-aid solution.

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16 Contrary to that, the President sent up a
17 package that dealt with the full funding, dealt with the
18 regulatory side, administrative side and reorganization
19 of that very important segment of our financial
20 community that appears now to be on the verge of, for
21 the most part, being adopted by Congress. We would hope
22 it would be a major contribution to the long-term fiscal
23 rehabilitation of the banking and savings and loan
24 institutions of this country.

25 He addressed an issue that also had been

1 clearly a hard one to handle over the last eight years,
2 the issues associated with Central America. Recognizing
3 that the goal was to move towards the democratization of
4 Nicaragua, to move towards elections, and that the key
5 to that was to maintain the pressure on the Nicaraguan
6 government that was in place to move to those elections
7 and maintain the integrity of the resistance forces that
8 were providing much of that pressure, with all due
9 respect to those who have forgotten that the purpose was
10 to get support to keep those resistant forces intact so
11 that that pressure would be maintained. What was put
12 together in an agreement between the administration and
13 Congress is a package that will provide the resources to
14 accomplish that.'

15 The President in his February 9th speech laid
16 out an agenda for the budget that fulfilled the
17 commitments he had made in the campaign. He surprised a
18 lot of folks by saying that he would put a budget
19 package together that had no new taxes, but addressed an
20 agenda in areas such as education, child care, the
21 environment, the war on drugs, the rehabilitation of a
22 lot of social structures of this country, dealing with
23 problems such as housing and so on and still do it in
24 such a way that moved this country towards a resolution
25 of deficit problem, clearly not being able to do it in

1 one year, but laying it out in such a way that we could,
2 over a handful of years, maintain the guidelines
3 established under Gramm-Rudman-Hollings to a resolution
4 of the deficit problem.

5 It was assumed by a number of people when that
6 was presented there would be no way that that kind of a
7 budget resolution package could be agreed on by
8 Congress. Yet just on Friday there was an agreement;
9 and, with all due respect to those who have been
10 analyzing it, let me put that agreement in context. It
11 takes the 1989 deficit of 165 to \$170 billion with a
12 budget package for this next year, reduces it, if you
13 talk the optimistic numbers, numbers like \$90 billion of
14 deficit, if you take the more pessimistic numbers from
15 CBO, to \$99.4 billion.

16 In any case, it is a reduction of annual
17 deficit by at least \$65 billion, not a trivial
18 reduction, a reduction that is consistent with the
19 projections required under the legislation that is on
20 the books.

21 That was done meeting the general deadlines of
22 the budget process and with a Congress that we hope will
23 continue to negotiate with us and help us address, at
24 least a year early, a budget resolution for the 1991
25 budget. With a little bit of cooperation and a little

1 bit of hard work we hope that we can meet the 1991
2 obligation of a \$64 billion reduction of the deficit to
3 the \$64 billion number hopefully before too far into the
4 fall so that, not only will we be early, but it will be
5 seen as a timely, significant result to allow again the
6 markets to respond well for growth in this country to
7 continue, continue job creation, continue what is a
8 significantly healthy economic program that has truly
9 served the needs of our citizens.

10 It is hard sometimes to do the arithmetic, but
11 I urge you to go back and examine the net benefits to
12 the country every time you reduce unemployment by 1
13 percent or even a 10th of a percent and add the money
14 that that payroll increase contributes to the support of
15 citizens and contrast that to what might, at its most
16 optimistic, be done by any significant additions to the
17 federal budget. It is that kind of arithmetic that
18 makes it clear that a solution that continues growth,
19 that continues job creation, that continues to provide
20 opportunities for men and women that want to work, to go
21 out and work, is by far by an order of magnitude, a
22 stronger way of dealing with social needs and needs
23 across the board than just relying on the Federal
24 Government.

25 It's not complicated arithmetic. It is simple

1 arithmetic but it is arithmetic that I urge you as
2 opinion leaders, business leaders around the country, to
3 do and do often because unfortunately it is not done
4 often enough in the City of Washington.

5 There are other things that the President has
6 focused on, in some cases making very clear statements.
7 He addressed the minimum wage issue, recognizing that
8 too large an increase there can have inflationary
9 pressures and still recognizing that an increase in the
10 minimum wage of about 30 percent is appropriate at this
11 time. There he made a very clear and definitive
12 statement: An increase to \$4.25 is acceptable and \$4.26
13 is vetoland. Of all the posturing that is taking place
14 on Capitol Hill, it is amazing that those who argue that
15 we need a minimum wage cannot do again two simple pieces
16 of arithmetic; one, a calculation in terms of the impact
17 of the economic structure of this country that a too
18 inflationary settlement would make; two, the fact that
19 the President has in hand more than enough votes to
20 sustain his veto. If they truly think an increase in
21 the minimum wage is appropriate, they will be
22 statesmenlike enough to send legislation up that the
23 President can and will sign.

24 The President sent up legislation dealing with
25 child care, initiatives in education initiatives in

1 education which understand that the fundamental problems
2 in this country in the education area are not going to
3 be solved by the traditional educational debate, namely
4 a comparison of price tags, but one that begins to
5 address the realities of the fundamental structure of
6 system and restores some responsibility, accountability
7 and reward for performance in those areas that are
8 critical. A recognition that education is fundamentally
9 a set of relationships amongst students, teachers and
10 parents best dealt with by communities and states in
11 which that interaction can be maintained. If you will,
12 the loop is as tight as possible in terms of review,
13 appreciation of what is accomplished, measurements of
14 performance and determination of what has to be done
15 next.

16 For those of you again who care about some
17 simple numbers, I point out to you that on education in
18 this country we spend between 330 and 340 billion. The
19 Federal Government only contributes around 20,
20 significantly less than 7 percent, probably seven or
21 eight month's worth of inflation on that \$330 billion.
22 With all due respect for those who march down here to
23 Washington pleading their case, it is certain that, if
24 the system did what it ought to do, they probably would
25 not be missed. The fact is that the increases that the

1 President has provided focus on incentives to get
2 students in some critical areas such as math and
3 science, focus on rewarding teachers for quality of
4 education, focus on providing incentives to school
5 systems and rewarding school districts that do well. In
6 addition to that, there are some funds in there to deal
7 with some elective parts of our system at the higher
8 level, \$62 million in funding for some of the
9 historically black colleges that have some endowment and
10 capital fund needs.

11 The fact is that the legislation he has sent
12 up addresses in the context of the times the reality of
13 the fiscal situation, a refocusing of priorities on the
14 areas that address the capacity of this country and to
15 the 21st Century. It's focused on areas that deal with
16 education, deal with incentives and investing in
17 ourselves. Part of the battle, if not a very big part
18 of budget, only represents about \$4.8 billion out of
19 well over a trillion, but the issue on a reduction of
20 taxation level on capital gains is fundamental if we are
21 to get to an investment incentive structure that is
22 competitive with what our industrialized competitors
23 around the world do as incentives for such investments.

24 It's addressed in other areas providing
25 incentives for R&D investment, providing incentives for

1 individuals and corporations who want to take the kind
2 of chances in technology that has kept this country at
3 the forefront. Without those kinds of incentives, there
4 is no question that all the protectionist attitude in
5 the world that seemed to be the vogue on the Hill last
6 year is not going to make this country more competitive
7 if we give up in terms of investing in ourselves and
8 those cutting edge technologies.

9 Having talked about some of the things that
10 have taken place, let me talk a little bit about the
11 style and the climate within the White House and the
12 administration in which the decisions that lead to these
13 policies have taken place.

14 I think it's important for me to stress at the
15 outset that, if people are to examine what is going on,
16 they have to remind themselves that this is the Bush
17 administration, it is not the the reincarnation of the
18 Reagan administration or the Carter administration or
19 the Ford administration or any other administration.
20 There is within the White House a President who has a
21 different style and a different approach. I'm not
22 arguing whether it's better or worse. It's difference
23 is critical if you don't understand what is taking
24 place.

25 This President has made it awfully easy for

1 his staff to continue to provide him information,
2 continue to provide the kind of communications that are
3 necessary and the interaction and allocation of
4 resources that are required for any CEO to get what he
5 or she needs to make policy decisions. It has to be
6 reflective of the style and desires of that CEO to
7 operate. We've tried to structure the White House in a
8 reflection of that style as clearly identified desires
9 of the President.

10 It is a style that makes it easy for us to
11 work. Traditionally in the White House in many cases,
12 if somebody needs a decision that the Chief of Staff
13 cannot make and has to go to the President,
14 traditionally you get a dozen or 15 meetings and
15 decision memos prepared, staffed out in thousands of
16 hours of staff work that's necessary to put that
17 together is unbelievable. In this White House we have a
18 chief executive that is comfortable enough with having
19 kept up with most of the issues that the way we operate
20 is generally someone will come in, ask the question and,
21 if I feel it needs the President's decision and
22 sufficient information has been provided to him in the
23 past, we walk in and get a decision. The difference of
24 having someone there that has the capacity and the
25 willingness to do that makes our job easier, more

1 efficient, more effective and able to produce results in
2 a much more timely way. It may not be as flashy or as
3 well presented back to the outside as the last half
4 dozen administrations perhaps, but it is a style that
5 has allowed this nation to get some of its tough
6 problems examined and decisions made on those tough
7 problems in a very timely effective way.

8 There are some other things that I think are
9 critical for folks to understand as they examine this
10 administration. One of them is something that rather
11 surprised me when I came to this city, but I think it is
12 true. There is a tendency in this city for folks to
13 care more about positioning themselves to look good in
14 failure than in dealing with the tough times that are
15 necessary to move along the rocky path, the tough path
16 to getting success. Quite often the choices that have
17 to be made at the top in order to maximize the
18 likelihood of success are very different than the
19 choices that would be made if you really cared about
20 looking good in the process. That is critical because
21 there will be times on tough issues where, if folks used
22 the old template of the past, they will wonder what is
23 going on.

24 I think you see that in some of the hard cases
25 that are now before the President, the issues associated

1 with the gun issue. There are two constituencies there
2 with legitimate concerns, one represented perhaps by the
3 chiefs of police of this country very much concerned
4 with the proliferation of assault weapons, the other
5 legitimate gun users, hunting men and sportsmen who have
6 a strong commitment to the second amendment and all its
7 implications. Rather than avoid that issue, you see a
8 President that is willing to have these folks engage in
9 discussion, engage with him, with his staff and take, if
10 you will, a very tough press that will be part of that
11 decision-making process until we get to what he
12 believes, and I think is correct, a resolution of that
13 problem that is reflective of the legitimate concerns of
14 both of those contingencies and one that will deal with
15 the problem in a way that is constructive for this
16 country. It requires a President that is willing to go
17 through the tough public exposure of that debate.

18 I think you will see that on a number of
19 issues but I think that is very much reflective of this
20 President's style and, if you will, his comfort with
21 himself that he is less concerned about how it looks and
22 more concerned about the results. I think if you look
23 at what has been sent up in the successes that are
24 beginning to gel, some of them I've mentioned -- savings
25 and loan, Contra issue, Central America issue, the

1 budget -- these are programs that very few folks gave
2 the President a high likelihood of reaching resolution
3 in a reasonable period of time and yet, if things
4 continue to go in the current pace, we may have
5 solutions to these problems before we get far into the
6 summer.

7 I think that having set out for himself a
8 limited but clear agenda dealing with some of the tough
9 issues, that this President will end up not only in the
10 long run with results but, having gone through the rough
11 and rocky road, will confound those who might think they
12 are the masters of the public relations gambit but
13 confound those because he will have an American public
14 that, contrary to the arguments that were raised three
15 or four weeks ago being criticized for not being smart
16 enough to manipulate the media to get a good image, the
17 President will rely on the quality of his results in
18 order to maintain a favorable response from those he has
19 chosen to serve.

20 Let me stop there and open it up to questions
21 and perhaps come back to parts of this or talk about
22 whatever slices, what has gone on in the last few weeks
23 or what may be going on in the next few months with the
24 emphasis that you would rather have. If you would like
25 me to expound at length on anything besides answering

1 the questions, I'll do that.

2 MR. MOORE: Would you share with us any
3 observations on the decision-making process in the White
4 House with respect to the oil spill in Alaska.

5 GOVERNOR SUNUNU: Let me take one slice of it
6 as an example. First of all, the situation in Alaska
7 clearly had a number of phases to it. First of all,
8 there was the accident obviously and the immediate
9 follow-on of the accident was the spillage of the oil
10 that took place in the first few hours and then the
11 principal concern, with all due respect to the way it
12 was reported, the principal concern was to minimize what
13 additional spillage would take place.

14 In that accident, about 25 percent of the
15 total oil spilled, which meant three quarters of it, was
16 contained within the ship. The most critical thing
17 there was to make sure that the ship was dealt with in
18 such a way that it didn't break up and that the
19 resources were brought to bear in removing it from the
20 reef as quickly as possible.

21 A lot of folks would have liked the focus to
22 be on what had already left the ship but the magnitude
23 of that accident was reduced to a quarter of what it
24 could have been by focusing the efforts on keeping the
25 three quarters of the oil that stayed in the ship within

1 the ship, pumping it off and getting the ship off the
2 reef. Surprisingly enough there's been very little
3 reporting on that.

4 The second aspect of it was to recognize that,
5 as much as you would like to contain the spread of that
6 material, the reality in terms of the weather, 14 to 20
7 foot waves for a great deal of the time, was such that
8 with all the focus you could give your best action was
9 to preserve some of the critical areas and that action
10 was recommended that focus be given to preserve the
11 hatcheries or parts of that area in which the
12 rejuvenation and replenishing, if you will, of the fish
13 stock takes place. That focus was given and there is a
14 report coming in tomorrow that Secretary Skinner will
15 have. On the basis of the verbal results, I feel that
16 they've been fairly successful if not completely
17 successful in accomplishing that.

18 The third slice is one which I think everyone
19 recognizes is a long-term bout and that is the clean up
20 of the the deposition of the oil as it hits the land
21 masses. In that area the President has directed that
22 not only the private sector, but the public sector
23 resources be brought to bear including DOD. It is
24 interesting that some of the very folks that were
25 calling for a declaration of disaster or emergency

1 failed to read the legislation because, if you read that
2 legislation, you will discover if that is begun under
3 the provisions of law that they were all touting, it
4 would have immediately absolved Exxon of any
5 responsibility unless it could have proven in a court of
6 law that the spill is deliberate; and I don't think that
7 is anything that anyone in this room, public or private
8 sector would like to have had happen.

9 I think once all the agitation of the
10 real-time reporting is done, as people go back and take
11 a look at what was accomplished, yes, you always have
12 hindsight in which you wish certain things had been done
13 differently in a different way but for the most part,
14 considering the magnitude of what happened there, I
15 think you'll find that as much as you wish it had not
16 happened, as much as you always wish you had been able
17 to do better, that the response of the public sector
18 anyway was as strong and effective as it could be.

19 MR. LEVIN: The administration has been quiet
20 about the Uruguay round of GATT negotiations. Would you
21 like to make some comments on what the administration
22 would like to see us win in those negotiations?

23 GOVERNOR SUNUNU: We have been trying to get
24 an international focus in two areas one is agriculture.
25 The rest of the world would like not to talk about

1 agriculture since they recognize there is a tremendous
2 long-term and short-term competitive advantage to the
3 United States in that area. It is my understanding from
4 Carla Hills that she thinks significant progress was
5 made in that direction.

6 The second area is the area of intellectual
7 property of the for too long the countries of the
8 world -- intellectual property by the way covers a whole
9 range from copyrights and patents to trade secrets
10 associated with pharmaceuticals. For too long the rest
11 of the world has assumed that our commitments were not
12 strong enough to protect those rights of manufacturers
13 and printers and service groups. I think what Carla and
14 her folks have been able to accomplish in terms of
15 bringing that issue to an almost consensus on how we
16 will deal with that has been a very significant and,
17 with all the focus that has been given on the staff
18 level of discussions that are taking place this year,
19 the key of course will be when it gets to the
20 ministerial level. This is just preparations for that.
21 I think we are ready on those two issue, our two
22 principal issues, than we might otherwise have
23 expected.

24 MR. LAWRENCE: Have you observed any changes
25 in George Bush since he's become President and secondly

1 what is his mandate to you as Chief of Staff?

2 GOVERNOR SUNUNU: Let me go back to when I had
3 to make a decision to support the President back in the
4 pre-primary days in New Hampshire. I took my
5 responsibility seriously since, as we all know, once New
6 Hampshire decides, it's all over. Having accepted that
7 responsibility, I had to make the tough choice of saying
8 no to a lot of folks that were close friends, Bob Dole,
9 Jack Kemp, a lot of folks. One of the things that
10 helped me make my decision -- because I did spend some
11 time with the then vice-president and got to know him
12 pretty well.

13 I don't sense a change because I think the
14 President that the public has begun to see now is the
15 same as the man I got to know at that time. What I will
16 acknowledge is that the public image of George Bush and
17 what he has presented as a public face is very different
18 as president than it was as vice-president. It is
19 sometimes difficult for people to realize that public
20 figures have a sense of the appropriate role at a given
21 time. As an example, I had to serve as governor in a
22 state which constitutionally and legislatively is
23 probably the second weakest governor's office in the
24 country I had to govern by bluff and bluster which
25 masked my warm and gentle personality when I got to

1 Washington and that is the personality that I use in
2 this different role.

3 His charge to me as Chief of Staff is to make
4 sure that he gets all the information he needs to make
5 policy and, once he makes policy, to go out and make
6 sure that it gets implemented. Frankly the relationship
7 is such that he's a very easy person to work for in that
8 respect. He is available, willing to get involved in
9 detail when he thinks it appropriate, but he has a great
10 sense of when a decision has to be made and his charge
11 is for me to get things to him so that his internal
12 deadline on decision making is met.

13 If I can keep that going, I think he's going
14 to be satisfied. He's been kind enough so far to say he
15 has been satisfied and that's really a very simple
16 straightforward charge that has all kind of nuances
17 associated with it but the charge has been relatively
18 simple.

19 He's also made it clear that he knows that his
20 style as President has a basic style but what he does on
21 a day-to-day basis and needs on a day-to-day basis will
22 evolve during his tenure as president. We go through a
23 daily review of what's happened and what we ought to do
24 next week and next month. There's this constant
25 feedback on the fine tuning.

1 MR. STOLLEY: You've had some pretty
2 impressive bipartisan achievements in the Contra
3 agreement and the budget. In the Republican National
4 Committee with Lee Atwater on retainer, there is kind of
5 an attitude of beat every Democrat in the ground
6 wherever you found him. Would you talk a little bit how
7 President Bush and you as Chief of Staff are going to
8 walk that line?

9 GOVERNOR SUNUNU: Very carefully. What I
10 think people did not understand about George Bush is
11 that he had a great number of personal relationships
12 with members of Congress, Republican and Democrat. In
13 fact, I think it probably wasn't understood that I, as a
14 governor, when I came down, had been involved a day or
15 two a week with things going on in Washington including
16 Senators and Congressmen and, when we put the staff
17 together, it was interesting to read the stories that
18 this was a inexperienced staff and yet nobody bothered
19 to find out that 26 of the 29 principal members of the
20 staff had White House experience. In fact it turns out
21 that it's the most experienced White House staff put
22 together at the beginning of an administration. We may
23 not have the same name recognition as staffs at the end
24 of an administration but that's what you have to
25 expect.

1 So what you have is a great number of folks
2 involved that, over the years, have had political and
3 personal relationships with people involved in Congress
4 and what to a great extent is seen as partisan or
5 bipartisan or executive/legislative branch cooperation
6 is to a great extent an exploitation in the nice sense
7 of that word, a reaping the reward of personal
8 relationships, political relationships, and the capacity
9 of people who have worked together to continue to work
10 together to solve problems.

11 That doesn't mean that there won't be partisan
12 moments. I think you will find that they will be done
13 and dealt with in such a way that they don't jeopardize
14 the capacity to come together and to work out solutions
15 to real problems. I think you have to go at this with a
16 feeling that Republican and Democrat, Executive Branch
17 and Legislative Branch, there are people who would
18 rather be sharing the credit for solving a problem than
19 sitting around arguing about why a problem wasn't
20 solved. Every once in a while you have to shake people
21 up a little bit to get them on that track. Every once
22 in a while they take the easier track of looking good;
23 but, if you've got good relationships, you can rattle
24 that cage a little bit. You see the President do that
25 where necessary, make the personal phone call or

1 personal visit or ask people to visit with him. You'll
2 see that George Bush's strongest asset is maintaining
3 that fine line as he goes through the years.

4 MR. AVE: Would you give us your analysis of
5 the Tower fiasco. What did you do wrong and what did
6 you do right?

7 GOVERNOR SUNUNU: Let's go back to the
8 arithmetic of the type of vote. It was virtually a
9 party line vote. Party line vote on the floor, party
10 line vote in the committee. The committee responded to
11 its chairman when he asked for a vote of his committee
12 on the basis of party line to the point where at least
13 three commitments that had been made to vote for Tower
14 were undone that last day and, once that decision is
15 made, with all due respect to those who suggest it could
16 have been changed, it's very difficult to see how, when
17 you get to a straight party line vote, that there's
18 anything you could have undone in the process.

19 Probably what we could have done is made
20 public what we thought were private commitments earlier
21 but I'm not sure in the long run that would have been
22 the wise thing. We may have been able to save the Tower
23 vote but probably would not have been able to govern in
24 the long run as effectively.

25 MR. HARVEY: Since I have a son who may enter

1 the University of New Hampshire in September of 1990,
2 I'd like to ask you -- if they will have him -- I'd like
3 to ask you a question that tickles my fancy. Perhaps it
4 will do that to you. When you moved a few hundred miles
5 south, not unaware or uneducated about life inside the
6 beltway, what two things surprised you most?

7 GOVERNOR SUNUNU: One, I think I've already
8 mentioned that all too often I found people scrambling
9 to look good even though it puts them on a path not to
10 get the success they really should want rather than risk
11 a little of the ruffling of the feathers and the
12 slightly difficult period of time that's necessary to
13 work the rocky road to move towards the path of
14 success. That really surprised me because I can tell
15 you that, having talked again with my colleagues,
16 Republican and Democrat, that are governors, I didn't
17 see that much of it at the state level.

18 Secondly, how difficult it's been for the
19 media to really understand what's going on. They are
20 still looking at the last administration or the models
21 of previous administrations and have a great deal of
22 trouble adjusting to a president whose style is so
23 different and who is willing to be involved in the
24 churning that's necessary as you evolve decisions.
25 Really the comments of the media three weeks ago when we

1 took criticism for not manipulating the media really
2 brought that to mind more than anything else.

3 MR. HARVEY: Are you satisfied that the
4 savings and loans will be prevented from making the same
5 mistakes that they made in the past, namely speculating
6 with federally insured money?

7 GOVERNOR SUNUNU: The key to the savings and
8 loan structure is some of the sufficient capital
9 requirements that the President sent up as part of his
10 package. For the most part they've been preserved in
11 the Senate. They've been softened in the House. If we
12 get something consistent with what the President sent
13 up, I am confident. If it's a significantly weakened
14 package, the President is going to have to make a tough
15 choice as to whether he vetoes it or accepts what's
16 there as a solution that will work.

17 Those are the kinds of things that will have
18 to be looked at when that complicated package of
19 legislation comes back. What was sent there was a
20 request for a funding structure that fulfilled the
21 obligation the Federal Government had to the
22 depositors. And again sometimes it doesn't get
23 communicated that way, but the government is not bailing
24 out institutions, it is paying to the depositors what it
25 committed it would do when it insured deposits.

1 Secondly, it sent up some administrative
2 restructuring including restructure of the trust funds
3 on both the FSLIC side and the FDIC side.

4 And third, it sent up some additional
5 requirements under the regulatory structure of stronger
6 capital requirements, stronger rules on what could or
7 couldn't be done with the funds and augmenting of the
8 personnel available both in numbers, quality and in
9 terms of the powers to go in and review the quality of
10 loans and to some extent the quality of the activities
11 of lending institutions. So that's a whole package. If
12 the whole pack knowledge is adopted, I'm confident that
13 the system will be dealt with properly.

14 MR. STACKS: Could you talk a little bit
15 personally about what it's been like for you to move
16 from being the chief executive, from governing with
17 bluff and bluster as you said, to being the ultimate
18 staff guy? How has that been for you and how do you see
19 the rewards and penalties or both?

20 GOVERNOR SUNUNU: I think being governor in
21 this country is probably the second best job in the
22 country. There's no question about that. I think if
23 you talk to governors around the country, they'll even
24 argue what the second best is. Some of them will argue
25 that's probably the best in terms of satisfaction of

1 being able to get things done in a timely way.

2 But the thing that's made it easy for me to
3 make the transition is really the President himself and
4 I think I told somebody here earlier tonight I had no
5 trouble saying no to the President of the United
6 States. I had a lot of trouble saying no to an old
7 friend that I really respected. His style, let me give
8 you an example. When we went on the trip to Asia and he
9 met with 21 foreign leaders face to face, it was almost
10 before each one of the meetings the President would
11 brief the staff, including his foreign policy advisers,
12 on what would be coming up. And in the meetings he not
13 only knew the foreign leaders from his previous
14 involvement, he knew their family, where their kids were
15 going to school and had anecdotes that he shared back
16 and forth with them about the involvements they had had
17 together over the last dozen years.

18 To have somebody in the White House that has
19 A, a global sense of what's going on in the world, and
20 B, the comfort with all the details that are necessary
21 to make judgments on how people will react to policies
22 has made it awfully easy for me to feel very comfortable
23 working for that individual and it's not been very much
24 of a problem.

25 I will say this: I've had a sense of

1 impatience at the slowness of the pace in Washington.
2 It is a much slower pace than you run into in most state
3 capitals. Part of it is a legislative calendar that
4 always prefers to put off to tomorrow what should be
5 done today. Most state legislatures meet in a
6 compressed period of time. They've got a much sharper
7 timetable with a much more acute sense of having to move
8 decisions back and forth rather quickly. That doesn't
9 happen here. I am not saying it's better or worse; I'm
10 just saying it's different. There is a sense of,
11 probably because of the way we've laid things out, this
12 longer timetable has made it a lot easier to deal with
13 the longer view of things.

14 In terms of how it's impacted me personally,
15 the family will come down in June. We have two young
16 ones in school, one in 3rd and one in 8th grades. Nancy
17 gets down a couple of days a week but I can't wait until
18 the family comes down in June and makes life a little
19 bit easier. I don't make a good bachelor and heaven
20 knows that doesn't happen quickly enough even for my
21 kinder and gentler personality.

22 Let me take two more.

23 MR. CLOUD: I'd like to bring you back to the
24 Tower matter a minute. You said it was a partisan vote
25 if I understood you correctly; there wasn't much you

1 could do about it. The first part of the question is
2 why do you think it was a partisan vote for rejection
3 which after all is fairly unusual --

4 GOVERNOR SUNUNU: It's historic.

5 MR. CLOUD: Historic in that sense, yes.
6 Rejection even by a partisan vote of a cabinet nominee
7 is unusual. Do you think in retrospect that having
8 devoted six weeks to this fight, it was worth it?

9 GOVERNOR SUNUNU: Let me answer the second one
10 first. The President felt very strongly about the fact
11 that John Tower was the best person to run that
12 department and nothing that was brought forward at that
13 time or has been brought forward since was disqualifying
14 to John Tower to serve in that John and this country
15 deserved the experience and talent that job Tower would
16 have brought to that job and he was willing to take the
17 tough road to try and get that achieved. In that
18 respect it was worth it. I think there was a matter of
19 principles involved and, in addition to that, the
20 relationship that was established between the White
21 House and at least the Republican side of the Senate
22 certainly was solidified during that period of time.

23 What made it a difficult period of time is
24 that A, there was so much of our energies and if you
25 will public attention focused on that unfortunately in a

1 way. The side efforts that were going on in the budget
2 preparation on our side, the interactions in the
3 discussions continuing to take place and the preparation
4 of legislation on child care and education all
5 continued. So as much of the time and effort it took of
6 some of the members of the White House, the bulk of the
7 White House operations continued as usual. I think it
8 was worth it in the sense that it was the right thing to
9 do. Sometimes, surprisingly enough, the right thing to
10 do is the right thing to do.

11 MR. GOREY: Governor, some of the documents
12 released in the North trial have suggested a stronger
13 involvement in Iran-Contra by Vice President Bush than
14 was disclosed by either the Tower Commission or the
15 congressional committee. When the trial is over, will
16 there be a fuller exposition from the White House as to
17 Vice President Bush's role?

18 GOVERNOR SUNUNU: If you're talking about the
19 document that was prepared by the parties to the trial
20 as a stipulation document, you must understand that that
21 has in the words of one of the lawyers involved with
22 Iran-Contra really nothing to do with the documents
23 themselves. Just because it is in the stipulation,
24 believe it or not, does not mean there is a basis of
25 fact to it. Now, I don't want to go beyond that because

1 I don't want to do anything here that will prejudice the
2 trial, but I do think people that are saying that
3 documents have been released ought to understand that
4 there is a difference between documents and the pieces
5 of paper that make up the stipulation. Once the trial
6 is over, that distinction will be reemphasized.

7 Thank you very much.

8 MR. MULLER: You didn't mind my suggesting you
9 leave at that time, did you, Governor? I just hope,
10 Governor, that you don't stake too seriously all that
11 criticism that you're not manipulating the press
12 sufficiently. Thank you very much for coming and
13 joining us.

14 We know it's Sunday evening and you're
15 spending a lot of time away from your family these days
16 and we appreciate the time you took to be with us.
17 Thank you very much.

18 (Whereupon, the conference adjourned at 9:04
19 p.m.)

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Highlights of President Bush's News Conference

Associated Press

I want to take this brief opening statement opportunity to restate my belief that free collective bargaining is the best means of resolving the dispute between Eastern Airlines and its unions.

I continue to feel it would be inappropriate for the government to intervene and to impose a solution. This dispute has gone on for more than 17 months, and it's time for the parties involved to get down to serious business.

The action-forcing event in this case is the strike, and that is the tool at the disposal of labor, and they're properly going forward with that.

Management and labor now have to find a settlement. But let me just say that I hope my position on secondary boycotts is well known. Thankfully, these boycotts have not yet materialized, and I hope they don't.

Temporary restraining orders have been in effect [Monday] and today in the New York and Philadelphia areas. But even when those restraining orders lapse, I remind all parties that secondary boycotts are not in the public interest, and I will send legislation to Congress to forbid them, if that is necessary.

Administration's Direction

My response is that it's not adrift and there isn't malaise. And I talked to a fellow from Lubbock, Texas, the other day which was the best phone call I've made. And he said, "All the people in Lubbock think things are going just great."

Let me help you with where I think it's going. In the first place, in a very brief period of time, we addressed ourselves to a serious national problem, the problem of the S&L [savings and loan] bailout. That is still moving forward. It takes a little time. I've challenged the Congress to act.

Secondly, we came up in a very short period of time with a great amount of detail, far more than the two previous administrations, regarding the budget: sound proposals. . . we addressed it in considerable detail and talks are going on right now to try to solve that problem.

I've taken a substantive foreign policy trip that took me not only to three countries, but where I met with, I think, some 19 representatives of 19 countries and talked about their objectives and mine for foreign policy. Our secretary of state has not only touched base with all the NATO leaders but has had a productive meeting with Mr. [Soviet Foreign Minister Eduard] Shevardnadze.

The defense reviews and the other foreign policy reviews are under way. And I will not be stampeded by some talk that we have not come up with bold new foreign policy proposals in 45 days, not going to be. So I think plenty of substantive things are going on.

And then. . . you saw my statement on CFCs [chlorofluorocarbons] on the environment. Our environmental map is over there, [Environmental Protection Agency Administrator] Bill Reilly, very able administrator, attending a conference it will then lead, in my view, to unilateral proposals by the United States—not in terms just of CFCs, but other global environmental matters.

We are confident of the confirmation of [deserted drug "czar"] Bill Bennett, and he is

charged with a six-month mandate to do something—map out the drug program. And he will be very serious about going forward on that.

I appointed early on an ethics commission, which has been meeting, and will be coming out with, I think, sound proposals. And so we'll start moving forward legislatively there. I spelled out in my speech an education agenda, and that will be followed. . . with legislative initiatives.

We're moving forward with our volunteer approach. . . the organization to pursue national service, under Gregg Petersmeyer here in the White House. Our secretary of HUD [Housing and Urban Development] has taken some fact-finding speeches—tips—and made some good comments, speeches, about our objectives in terms of the homeless. . . And everyone here is familiar with my position on child care, that's going to take legislation, but I think the Congress clearly knows where we want to go there.

So I would simply resist the clamor that nothing seems to be bubbling around, that nothing is happening. A lot is happening—not all of it good; but a lot is happening. . .

I ask for your forbearance and leadership in this regard, pointing out all the things that I spelled out in the beginning, comparing that in terms of appointments. I've spared you the statistics on appointments which I had prepared, because one of the hits is, "You haven't sent up any names. You haven't done anything about names. . ."

And in terms of the Reagan-Bush administration, at this juncture, 55 names as of March 6th had been announced. On the Bush-Quayle administration, 67 have been announced. So, it's not bad. We're a little bit ahead in terms of announced names. . . I'd like to see it faster, of course, but that's one of the allegations—disarray.

First, I have great confidence in my staff, and every chief of staff goes through this drill where he gets saluted for his brilliance, and a month later, he gets attacked for his something else. And I have total confidence in John Sununu. He knows the way this town works. He has a respect level that comes from being a . . . governor. And so, we're all used to this.

If you would just write down all of those wonderful things I told you that are happening and get it out to that wide readership, it would be very helpful to me. And I think—and also, I'll refer you to the phone call in Lubbock. . . Never get all too uptight about stuff that hasn't reached Lubbock yet, and be sure that there [are] some accomplishments going on—that people can say, "Wait a minute. There's quite a bit happening here."

The Tower Nomination

There [are] two major principles: Fair play, and secondly, the right of the president to have—historical right—to have who he wants in his administration. And I've heard a lot of judgments on [former senator John G.] Tower based on reports during—people reading the same report and coming out with different judgment.

I want him. I believe he is the best man for the job. There are a lot of historical precedents behind my desire to have him and, you might say, right to have him, barring any very clear reason not to. And therefore, I will stay with it.

And secondly, it's the Senate that controls when they vote or not, and I will leave that to Bob Dole and to George Mitchell, both of whom I think are conducting themselves very well.

I think he'll measure up to that qualification [to head the military chain of command]. Indeed, he has said he'd never touch another drop of liquor and you'll have 25,000 people in the Pentagon making sure that's true. . . here's a, I'd say, a fail-safe guarantee. . . I haven't had one single senator—not one—[who] served with him over the years, say, "I have seen him. My firsthand evidence is this man is ineligible because of his consumption of spirits." Not one. And isn't that a little bit unusual?

So I go right back to the president's right to have his choice. Let's keep it on a nonpartisan basis. I would just re-urge what Senator [Sam] Nunn and George Mitchell have said. "Wait a minute. This isn't a partisan fight. . . I would simply ask that they keep reiterating it to those senators who may not have made up their minds. . . and let's go to a vote."

But I'm not going to pull back on this. . . it isn't iron-willed stubbornness. It's a question of fundamental principle here. And I've spelled out my call for fair play, and I'm going to keep reiterating it. So let the Senate work its will. It's not going to hurt. And this concept that you can never work in the future because people disagree with you in the Senate, I simply don't accept that. . .

I would not presume to recommend to the Senate what it should do [about inviting Tower to speak]. But Bob Dole and others have—he has my full confidence in the way he's handling this matter.

Semiautomatic Weapons

I say the same thing I say to a person whose family has maimed by a pistol or [an] explosive charge or whatever else it might be—a fire: This is bad, and we have got to stop the scourge of drugs. And I talked to Bill Bennett about that, because I said, "Bill, what can be worked out with finality on AK47s? What can be done and still, you know, do what's right by the legitimate sportsman?"

I'd love to find an answer to that. . . because I do think that there has to be some assurance that these automated attack weapons are not used in the manner they're being used. . . I told Bill, I said, "Look, I don't worry about what you said up there." I said, "I can identify with what was behind your thinking on that very, very easily." I'd like to find some accommodation.

The problem, as you know, is that automated AK47s are banned, and semiautomated are not. So in they come; and then they get turned over to automated weapons by—through some filing down. It isn't as easy as it seems to those who are understandably crying out, "Do something. Do something."

But I've tasked Bill; I've said, "Bill, work the problem. Find out. And I'm not so rigid that I can't, if you come to me with a sensible answer that takes care of the concerns I've felt over the years, I'll take a hard look at it. . ."

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THE WHITE HOUSE
WASHINGTON

April 24, 1989

MEMORANDUM TO: OPINION LEADERS

FROM: DAVID F. DEMAREST, JR. ~~DB~~
ASSISTANT TO THE PRESIDENT FOR COMMUNICATIONS

Today, President Bush gave a major address to the American Newspaper Publishers Association in which he reviewed the progress of the first months of the new Administration.

We have enclosed a copy of that speech as well as an executive summary and fact sheet detailing Administration initiatives and actions. We hope this information will be helpful to you.

THE WHITE HOUSE

Office of the Press Secretary

EMBARGOED FOR RELEASE
UNTIL 12:15 NOON CDT
1:15 P.M. EDT
MONDAY, APRIL 24, 1989

TEXT OF REMARKS BY THE PRESIDENT
TO THE ASSOCIATED PRESS BUSINESS LUNCHEON
OF THE AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION

Hyatt Regency Hotel
Chicago, Illinois

April 24, 1989

I know the news business is a serious and sometimes dangerous business. Mark Twain liked to recall that Napoleon once shot at a magazine editor. Napoleon missed him, but killed a publisher. As Twain said, it seems his aim was bad, but his intentions were good.

You all know Jefferson's tribute to the importance of the press: "Were it left for me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter."

Now, despite the fact that there are days when I think that all we really need is a sports page -- both of us, government and the news media, need one another, and owe each other a measure of respect, honesty and integrity equal to the work we're engaged in.

It's been a little over three months since I took the oath of office, and I'm very pleased with the progress we've made in that short time. I'll say more about that shortly -- but before I do, I'd like to speak for a moment about my impressions of these past three months.

People often ask me what it's like -- how the presidency compares to the expectations you bring to it.

I can sum up the thing that's made the deepest impression on me so far, in one word: history. You can't live in the White House, you can't sit at that desk in the Oval Office, or upstairs in the office I have next door to the Lincoln Bedroom, without constantly experiencing the history of the place -- without thinking of the presidents we all know in a new light.

I think of Washington, working to define the presidency -- to mix power and restraint in a way that created a chief executive consistent with democratic government. This Sunday, I will be in New York to join in the ceremonies marking the 200th anniversary of Washington's swearing-in. Each of those 200 years is lasting testimony to the solid foundations laid by Washington.

I think of Teddy Roosevelt: his limitless energy, his mental, moral and physical toughness. I think of his dedication to serve his nation -- a dedication instilled in earliest childhood -- his love of nature, his passion for reform.

I think of Harry Truman: a man who spoke his mind, a practical man, problem-solver. A fighter who never gave up -- I learned that the hard way in 1948, when I put \$10 bucks on Tom Dewey.

- more -

There's Ike, Dwight Eisenhower: hero to a generation, a man who didn't seek the spotlight, who understood the value of quiet, steady leadership, and led this nation through a decade of growth, prosperity and progress.

And of course I think of the man I served for eight years, Ronald Reagan -- his commitment to his beliefs, his great faith in the American people -- and the unshakable optimism he brought to the job. The opportunities open to us today were made possible by the peace and prosperity Ronald Reagan left as his legacy.

We used to hear a lot about the presidency being too big for one man. That talk stopped with Ronald Reagan.

Different men, different methods, different circumstances: proof -- as I see it -- that the presidency is ample enough to accommodate the strengths and styles of our nation's rich political history.

In the past three months, these thoughts have framed my own approach, in dealing with the pressing problems that confront us -- some of them decades in the making -- and in working to put the United States on a steady course for the decade ahead and the new century beyond it.

The first step in every initiative I've undertaken is to square our actions with enduring American principles. Whatever the problem, we can count on public support -- so long as our policy and principles share a common root.

Those principles are:

Freedom: for individuals; for nations, self-determination and democracy.

Fairness: equal standards, equal opportunity -- a chance for each of us to achieve, and make our way, on our own merits.

Strength: in international affairs, strength our allies can count on, and our adversaries must respect. And at home, strength and a sense of self-confidence in carrying forward our nation's work.

Excellence: as the underlying goal in the collective efforts we undertake, and accountability for the work we do.

And in the workings of government, a firm sense of the responsibilities and powers of government -- and the private sphere that lies beyond its limits.

My starting point has been a respect for American institutions -- for Congress, for the dedicated civil servants of the executive branch, for state and local governments, for the concept of public service -- and a firm belief in the powers of the presidency. Each has its role, each can be enlisted in the work at hand. The emphasis is on cooperation -- not confrontation -- as the surest route to progress.

I've read more than a few news stories -- before and after the election -- that said the President and the Congress wouldn't be able to work together.... That the "bitter campaign" had made cooperation impossible.

I didn't believe that then -- and we're proving it wrong now.

When I took office, I told the Congress that the American people hadn't sent us to Washington to bicker. They sent us to govern -- to work together to solve the urgent problems that confront us, and to shape the long-term strategies to ensure peace and prosperity in the future.

I think the work we've done these past three months demonstrates the value of tough, principled negotiations between this Administration and the Congress.

The bipartisan budget agreement we worked out ten days ago is a key example. That agreement -- ahead of schedule, on target with Gramm-Rudman, and with my "no new taxes" pledge intact -- is a strong first step towards dealing with the deficit problem, and keeping our economy -- 76 straight months of expanding, uninterrupted growth -- on track. Difficult decisions lie ahead, but an important agreement has been achieved.

And of course there is the accord we reached on Central America. The people of Nicaragua -- like their neighbors in the region, like people everywhere -- deserve to live in peace, with freedom. The United States is now speaking with one voice -- and standing behind a plan that will put the Sandinistas to the test. And this unity has encouraged leaders like President Arias to give strong support to U.S. policy.

And in three short months, we've made a good start coming to grips with issues demanding urgent attention -- and decisive action.

And we've taken that action: Action to stabilize the troubled Savings and Loan system. The reform plan I sent to Congress will restore stability, and put the S&L system back on its feet, in sound fiscal order. My plan guarantees that depositors will be fully protected. The S&L system must be reformed, so that the questionable practices and outright illegalities that caused the crisis will not happen again -- and those S&L officials found guilty of criminal actions will be punished for the losses they have caused.

Last week, the Senate passed my plan, 91 to 8. I urge the House to act promptly, and pass this S&L reform bill with its central provisions intact.

Action to strengthen ethics in government. The ethics reforms I've sent to Capitol Hill this month will uphold honesty and integrity in government service -- and apply an even-handed ethics standard across all branches of government.

Action in the war on drugs, where we're advancing on all fronts -- education, treatment, interdiction and tougher law enforcement. The anti-drug effort will receive almost one billion dollars in additional funding in 1990 -- a 21% increase in outlays over what we'll spend in 1989.

We've imposed a temporary ban on the import of certain semi-automatic rifles, weapons all too often used in drug related killings. And we're tackling the drug epidemic in the District of Columbia, a test case for a full range of innovative anti-drug measures.

Of course, dealing with problems that demand immediate attention is only part of the picture. We need to look to the long-term as well -- to focus now on the kind of future we want to see for ourselves and our nation. Investing in that future is high on our national agenda.

First and foremost, that means improving education. Investing in the rising generation is long-range planning at its best. Our future in this technological age depends upon the qualities and capabilities of the American worker -- and not just the most talented among us, but each individual member of the workforce.

The seven-point program of education reform I sent to Congress early this month will help us reward excellence, reach out to students most in need, increase choice, and introduce a healthy element of competition and accountability that will promote quality in our schools.

Preparing for the kinder, gentler future I've spoken of means helping Americans cope with the changing nature of society -- helping fundamental institutions like the family remain strong and prosper. That's the guiding aim of my child care initiatives, a tax credit proposal designed to expand the options of low-income families -- keeping the ultimate choice of who will care for their children in their hands.

Preparing for the future means protecting our environment. Teddy Roosevelt put it best when he said: "I do not recognize the right... to rob, by wasteful use, the generations that come after us." Roosevelt spoke those words almost eighty years ago. Now, little more than a decade away from the 21st Century, safeguarding our environment is a national -- and international -- imperative.

We've taken the first, important steps: we've urged Congress to enact legislation enabling us to ban export of hazardous wastes to nations where safe handling of those dangerous substances cannot be guaranteed. And in response to growing concern about global warming, the U.S. will work in concert with other nations to end the discharge of CFCs into the atmosphere by the year 2000.

And in the case of the Alaskan oil spill, we have taken steps to ensure a strong federal role in oversight of the clean-up effort, and to explore ways to prevent such spills in the future.

Finally, we have launched an initiative to strengthen the international strategy on third world debt, which has already received broad international support from both industrialized and developing countries. We have set our course with this policy; now I want to see success on a case by case basis. I want to see an agreement with Mexico, with Venezuela, and with other countries as well.

We have examined and I have made decisions on U.S. strategy for Afghanistan, Poland, Central America and other problems and opportunities needing prompt attention. Within a few weeks nearly all of the far reaching and systematic defense and foreign policy reviews will be complete. I already have made some decisions. Others, including on arms control, will be forthcoming soon.

We are mapping strategies for a period of remarkable change in international affairs -- change more wide-ranging and rapid than at any time in the post-war period. While we will lead, we also intend to consult and listen -- to our friends abroad and to the Congress. I've met with the leaders of 34 nations -- renewing my acquaintance with many of them, establishing a working relationship with the others. My Secretary of State, Jim Baker, has met with Soviet Foreign Minister Shevardnadze, and will meet again next month in Moscow to continue that dialogue.

And, as with the bipartisan agreement on Nicaragua, I will work closely on international matters with the Congress.

Last Monday, we announced a new policy towards Poland, in recognition of the positive changes taking place there. We'll be watching events in Poland closely: the fate of Solidarity, the follow-through on the free elections promised by the Polish Government. Freedom is proving a powerful force in world affairs -- a force for peace and stability.

The United States must seize opportunities to strengthen and support developments that advance the cause of freedom -- and we will.

We've made a good start these first three months, and there's more to come. The completion of our defense and foreign policy reviews in late May, draft legislation for a new Clean Air Act, a new strategy to curb the increased use of lethal weapons by drug dealers and other criminals and new initiatives to combat the problem of homelessness in America -- all are on the near horizon.

You know, some of my toughest critics aren't members of the media -- quite often, they're the children who write to me at the White House.

I want to share with you a letter from a young fellow -- a seventh grader from Torrance, California. He wrote asking me to take action on pollution, toxic waste, smog, littering -- a very detailed list of environmental concerns. He says in his letter: "I am not saying you're doing a bad job, but could you put a little more effort into it?" Now, I want you to know when that letter was written: January 20, 1989 -- Inauguration Day.

I don't know whether I've managed to satisfy the young man who wrote that letter, but I can say I got his message. As I've said before, I am a practical man; I like what's real. I'm not much for the airy and abstract. I like what works.

There's a running debate on what it takes to move a nation forward. Some say it's ideology that matters. Some say it's a question of competence. Others say that issues are "the issue." But the fact is, what it takes to move a nation can't be captured in one word. It's a matter of principles -- and performance. Ideology -- and action on the issues. This Administration understands that the American people expect all of these -- and something more. They expect results. So while I'm pleased with all we've accomplished in these three months, there's a long road ahead of us. I'm optimistic -- that our reforms will produce lasting results; that the long-range planning we do today will pay off in the future. But most of all, this nation is ready to move forward to meet the central challenges we face: keeping America free, prosperous and at peace, tomorrow, and into the century ahead.

BUILDING A BETTER AMERICA

APRIL 24, 1989

SUMMARY

Since President Bush took office, he has addressed a series of tough issues, meeting both urgent short-term priorities and working toward solutions to the long-term challenges facing the nation. Relying on basic American principles -- traditional family values, choice, accountability, fairness, excellence, peace through strength -- the President is building a better America by:

1. Keeping the economy strong -- with no new taxes
2. Seizing international opportunities for peace
3. Investing in our future
4. Working for a kinder, gentler America

Keeping the Economy Strong -- With No New Taxes

- o Record economic growth -- 76 months of economic expansion. Nearly 20 million new jobs have been created, and the unemployment rate is now at its lowest since December, 1973. Real median family income set a new record in 1987 and continues to grow.
- o A comprehensive budget proposal sent to the Congress and an unprecedented bipartisan agreement with the Congress reached on the budget reducing the Federal budget deficit, meeting Gramm-Rudman-Hollings deficit reduction targets with no new taxes
- o A comprehensive plan to rescue the Savings and Loan industry which has cleared the Senate
- o An initiative for cutting the capital gains tax rate sent to the Congress to encourage investment and create jobs and opportunity
- o In the Uruguay Round of GATT trade negotiations, substantial progress has been made by the Administration toward reducing trade barriers to U.S. exports
- o A plan for raising the minimum wage to \$4.25 coupled with a six month training wage

Seizing International Opportunities for Peace

- o The signing of a bipartisan accord with the Congress on Central America
- o The initiation of a dialogue with the Soviet Union. Secretary Baker met with Foreign Minister Shevardnadze in March, and these talks will continue when the two meet next in Moscow

- o An eight-step program to support Polish political and economic reforms
- o Intensive Presidential consultations with the leaders of 34 nations, including 18 bilateral meetings held during the Asia trip
- o A plan to strengthen the international response to Third World debt
- o Comprehensive foreign policy and defense strategy reviews initiated

Investing in Our Future

Improving Education

- o A comprehensive legislative package for educational excellence sent to the Congress

Protecting our Environment

- o A multi-agency commitment to oversee the Alaskan oil spill cleanup effort
- o The development of Clean Air Act revisions, with provisions for control of acid rain and other problems
- o An announcement of an effort to seek legislative authority to ban hazardous waste exports, where agreements do not exist for their safe disposal
- o A call for the worldwide phaseout of CFCs by the year 2000
- o A plan of action to identify and prioritize clean up of defense and civilian radioactive waste
- o A legislative proposal, already enacted by the House, to deregulate natural gas by January 1, 1993

Fighting Drugs and Crime

- o A major \$6 billion anti-drug abuse initiative focusing on education, rehabilitation, interdiction and enforcement
- o Action in response to the drug emergency in the District of Columbia, including enforcement support, more prison space, and stepped-up efforts in prevention and rehabilitation
- o A temporary suspension of imports of certain types of semi-automatic weapons
- o Action to modify lease and grievance procedures to facilitate eviction of those involved in drug related criminal activity from public housing
- o New aviation security initiatives announced by the Secretary of Transportation, to counteract terrorism in the skies

Working for a Kinder, Gentler America

Child Care

- o A child care initiative to give low and moderate income working families greater choice and flexibility in meeting their child care needs
- o Legislation to increase the FY 1990 authorization for Head Start by \$250 million to help up to 95,000 more 4-year olds

National Service

- o The creation of the Office of National Service in the White House, and leadership in the Administration's initiative on volunteerism

Welfare Reform and Medicaid

- o Quick action to implement major welfare reform legislation that will help reduce long-term welfare dependency
- o Expansion of the Medicaid program to serve more pregnant women, infants, and children

Homelessness

- o An initiative to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing and health care

Ethics and Civil Rights

- o A comprehensive ethics proposal to make uniform the standards among all three branches of government
- o Whistleblower protection legislation, now law, to strengthen the rights of those who report misdeeds and mismanagement
- o Enforcement of the new Fair Housing Laws, to fully prosecute those discriminating in housing opportunities on the basis of religion, race, age, ethnicity, handicap or family status
- o Support by the Department of Justice for the objectives of the Hate Crimes Bill, which provides for the collection of data about crimes motivated by race, religion, ethnicity or sexual orientation

President Bush has set an agenda for the country. He is orienting us as a nation toward the future -- building a better America -- keeping America strong and at peace. Leadership is the ability to see the shape of things to come, to address tomorrow's challenges today. George Bush is preparing the nation for the 21st Century.

BUILDING A BETTER AMERICA
APRIL 24, 1989

KEEPING THE ECONOMY STRONG -- WITH NO NEW TAXES

Keeping our nation's economy strong is the key to managing change successfully. The news is good:

- o **Record expansion:** We are now in the 76th month of the current economic expansion.
- o **Job creation:** Nearly 20 million new jobs have been created, and the unemployment rate has declined to 4.9 percent, a 15 year low. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined.
- o **Record income:** Per capita personal income, after taxes and inflation, has risen 17 percent during the expansion; real income of the median family -- the family exactly in the middle of the income distribution -- set a new record in 1987 and continues to grow.
- o **Industrial output:** During this expansion, American industrial output has grown 33 percent compared with overall economic growth of 26 percent. This is double Europe's growth rate in industrial output and even slightly more than Japan's rate of increase during the same period.
- o **Inflation under control:** We have had seven straight years of consumer price inflation under 5 percent. The Administration supports the Federal Reserve's efforts to restrain inflation while maintaining real economic growth. The Administration and the Fed share the goal of ultimately achieving price stability -- zero inflation.

ACTION BY THE ADMINISTRATION:

- o **Presenting a budget:** The President put forth a budget which addresses our fundamental obligations for protection of national security and support of the needy, while providing sufficient funds to advance high-priority initiatives. The President's budget restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes.
- o **Reaching a budget agreement with Congress:** The President and Congress announced on April 14 a budget plan to reduce the estimated FY 1990 deficit by about \$64 billion below FY 1989. The deficit will be reduced to \$99.4 billion, as required by the Gramm-Rudman-Hollings law. This is the

first budget agreement reached before the start of the budget year and not framed in the context of crisis.

- o **Savings and Loan reform:** The Administration has transmitted the "Financial Institutions Reform, Recovery and Enforcement Act of 1989" to Congress, which has already cleared the Senate. The proposal includes provisions to:
 - Assure financial integrity of deposit insurance by raising the annual premium rate for both commercial banks and S&Ls.
 - Resolve the status of existing insolvent banks in an orderly fashion.
 - Improve supervisory control by bringing S&Ls up to the same standards applied to commercial banks.
 - Enhance enforcement of bank fraud provisions.
- o **Capital gains tax rate cut:** The re-establishment of a capital gains differential will encourage capital formation, and investment and stimulate job creation. The President has sent to the Congress a proposal which includes:
 - A 45 percent capital gains exclusion for qualified capital gains, making the maximum capital gains tax rate 15 percent.
 - A phased-in increase in the qualifying holding period from one year to three years.
 - Families earning under \$20,000 would be exempted from the tax.
- o **Minimum wage proposal:** The President is seeking to minimize the adverse economic impact of an across-the-board increase in the minimum wage, and to keep job opportunities available for youth and those seeking to enter the economic mainstream. His proposal is:
 - A 27 percent increase in the minimum wage over three years to \$4.25 for most workers.
 - Maintaining the current \$3.35 minimum for all new employees of a firm on the job for less than six months, regardless of age or previous employment.
 - An increase in the small business exemption to include all firms, not just retail and service establishments, with gross sales under \$500,000.
 - An increase in the tip credit from 40 percent to 50 percent.

The President's pledge to veto an excessive increase in the minimum wage has gained strong support in both Houses of Congress.
- o **International Trade:** The Administration broke a logjam in international trade talks which had existed since late 1988. In breaking the stalemate, the United States advanced its proposal to correct and prevent trade distortions in agriculture. This clears the way for negotiations that -- if

successful over the next 20 months -- will greatly expand rules governing free and open trade.

o **Agricultural initiatives:**

- The announcement of additional advance deficiency payments of 10 percent available to producers of wheat, feed grains, rice and upland cotton.
- The establishment of a top-level Working Group on Rural Development to focus on an action-oriented agenda.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

The Administration's policy of peace through strength is working. As he prepares for both the 40th Anniversary of NATO in Brussels and the economic summit in Paris, President Bush has undertaken a number of foreign policy initiatives to maintain America's position of world leadership.

ACTION BY THE ADMINISTRATION:

- o **Bipartisan accord:** On March 24, the President signed the Bipartisan Accord on Central America with top leaders of the Congress. The agreement sets out the broad outlines of a strong and effective U.S. policy in the region:
 - **Humanitarian aid:** Congress has agreed to support the Administration's request for continued humanitarian assistance for the Nicaraguan Democratic Resistance at current levels through the elections in Nicaragua scheduled for February, 1990.
 - **Democracy and Regional Peace:** The burden of proof is on the Sandinista government to do something it has steadfastly refused to do from 1979 to 1989: keep its promises to its people and its neighbors. If those pledges of democracy and peace continue to be violated, we hope and expect that other nations will find ways to join us to condemn those actions. But if those promises are kept, we have an opportunity to start a new day in Central America.

- o **Support for reform in Poland:** The Polish people are now taking concrete steps which deserve our active support. Those reforms include the legalization of Poland's heroic trade union movement, Solidarity, and were recognized by President Bush's initiative, which contained eight steps to support Polish political and economic reforms:
 - The President is asking the Congress to join him in providing Poland access to our Generalized System of Preferences, which offers selective tariff relief to beneficiary countries.
 - We are working with our allies and friends in the Paris Club to develop sustainable new schedules for Poland to repay its debt, easing a heavy burden so that a free market can grow.
 - The President is also asking Congress to join him in authorizing the Overseas Private Investment Corporation to operate in Poland.
 - The President is proposing negotiations for a private business agreement with Poland to encourage cooperation between U.S. firms and Poland's private businesses.
 - The U.S. will continue to consider supporting, on their merits, viable loans to the private sector by the International Finance Corporation.

- The President supports the Roundtable agreements that clear the way for Poland to be able to work with the International Monetary Fund on programs that encourage sound, new, market-oriented economic policies.
 - The Administration is also encouraging business and non-profit groups to develop innovative programs to swap Polish debt for equity in Polish enterprises; and for charitable, humanitarian and environmental projects.
 - The President will support imaginative educational, cultural and training programs to help liberate the creative energies of the Polish people.
- o **Bilateral meetings:** The President has met with a total of 34 foreign leaders while in office, including a series of 18 bilateral meetings during the trip to Emperor Hirohito's funeral. President Bush has met with leaders from the Middle East, including Prime Minister Shamir of Israel, President Mubarak of Egypt and King Hussein of Jordan.
 - o A dialogue has begun with the Soviet Union. Secretary Baker met with Foreign Minister Shevardnadze in March, and these talks will continue when the two meet next in Moscow.
 - o **Inter-American Development Bank:** The Bush Administration successfully concluded negotiations which will lead to a substantial increase in the Bank's resources. The resulting \$22.5 billion in lending over the 1990-93 period will support development efforts in major Latin American debtor countries as well as the smaller countries of Central America and the Caribbean.
 - o **Initiative on Third World Debt:** The President's initiative to strengthen the international strategy on Third World debt has already received broad international support from both industrialized and developing countries. The approach is designed to promote sustained growth in developing countries by:
 - Emphasizing sound market-oriented economic policies in debtor countries, particularly measures to promote investment and repatriation of flight capital;
 - Increasing the focus on debt and debt service reduction to complement new lending by commercial banks;
 - Using resources from the World Bank and International Monetary Fund to catalyze voluntary debt and debt service reduction by the commercial banks.
 - o **GATT:** In the Uruguay Round of GATT trade negotiations, the Administration has made substantial progress toward reducing trade barriers to U.S. exports.
 - o **Policy reviews:** President Bush has ordered a comprehensive review of foreign policy and defense strategies, soon to be completed.

INVESTING IN OUR FUTURE

EDUCATION

The President's actions to improve education are guided by four key principles: that excellence and success in education should be recognized and rewarded; that federal funding should be targeted to those who need it most; that choice and flexibility - for educators, parents and students -- are important to educational reform and to achieving excellence; and finally, that greater accountability is needed in the education system to assure that students are actually receiving the highest quality education.

ACTION BY THE ADMINISTRATION:

- o The President proposed and sent to the Congress a comprehensive education package, "The Educational Excellence Act of 1989" which includes seven initiatives:
 - The Presidential Merit Schools program -- to reward schools that have made substantial progress in raising students' educational achievement, creating a safe and drug-free school environment, and reducing the drop-out rate.
 - A new Magnet Schools of Excellence program -- to support the establishment, expansion or enhancement of magnet schools, increasing parental choice and improving quality education.
 - The Alternative Certification of Teachers and Principals program -- to assist States interested in broadening the pool of talent from which to recruit teachers and principals.
 - President's Awards for Excellence in Education -- to be awarded to public and private school teachers in every state who meet the highest standards of excellence.
 - Drug-free Schools Urban Emergency Grants -- to provide special assistance to selected urban school districts that are disproportionately affected by drug trafficking and abuse.
 - A National Science Scholars program -- to provide college scholarships to high school seniors who have excelled in the sciences and mathematics.
 - Additional Funding Authorization for Endowment Matching Grants at Historically Black Colleges and Universities to strengthen HBCUs by building endowments, an especially effective way to create financial strength and long-term security.

THE ENVIRONMENT

President Bush, a long-time environmentalist, has taken strong action to protect the environment. He is working shoulder-to-shoulder with Interior Secretary Lujan, Energy Secretary Watkins, and EPA Administrator Reilly on a number of fronts.

ACTION BY THE ADMINISTRATION:o **Alaskan oil spill:**

- A Cabinet-level team was sent to assess the Alaskan oil spill situation, and a joint federal-state resource recovery team was convened, with Secretary of Transportation Skinner now coordinating all efforts. Coast Guard Commandant Yost has returned to Alaska to assume personal oversight of developments, and the National Transportation Safety Board is investigating the accident itself. Exxon has accepted responsibility for paying for the cleanup, and for employing local civilian personnel necessary to control further damage.
- In addition to the considerable federal personnel and equipment already in place, on April 7, the President announced that Defense Secretary Cheney will make available U.S. Armed Forces personnel and equipment to assist in the cleanup. EPA Administrator Reilly will coordinate the long-range planning to restore the environment of Prince William Sound, and the President has ordered a review of existing contingency plans for accidents such as this. The Departments of Interior, Commerce and Agriculture, with the State of Alaska, have begun a scientific assessment of damages to natural resources. Exxon has provided \$15 million in up-front funding for this effort.
- The President has set up a special task force to address environmental concerns about oil and gas drilling off the coasts of California and Florida.

- o **Cleaning up hazardous wastes:** The President announced he will be seeking new legislation to give the United States Government authority to ban all exports of hazardous waste except where an agreement exists with the receiving country providing for the safe handling and management of those wastes.
- o Also, Secretary of Energy Watkins has put forth a plan of action to identify and prioritize clean up of defense and civilian radioactive waste.
- o **Superfund:** The President is reinvigorating the Superfund hazardous waste clean-up program by directing EPA to take a number of actions, including more aggressive action to force private parties to clean up sites, stepped-up cost recovery, and better use of existing emergency cleanup authorities. EPA is also now finishing a priority review of Superfund to improve its operation.
- o **Ozone depletion:** The President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available, in order to prevent further damage to the earth's protective ozone layer.

- o **Clean Air and Acid Rain:** The President committed his Administration to submitting a new Clean Air Act, including provisions for control of acid rain, ozone, and toxic air pollutants. Top Administration officials have begun drafting a bill, in consultation with leaders of Congress.
- o **Clean water and coastlines:** The EPA has started a tracking system for medical wastes and the Justice Department has started a task force to prosecute these abuses -- the first step in a comprehensive program to help keep our beaches clean. The President is committed to end ocean dumping of sewage sludge by 1991.
- o **Wetlands:** The President is committed to "no net loss of wetlands" and is directing his agencies to work toward that goal. He has also proposed \$206 million in his budget to expand our parks and wildlife refuges.

FIGHTING DRUGS AND CRIME

With the confirmation of Bill Bennett as Director of National Drug Control Policy, and the trip by Attorney General Thornburgh to South America to meet with local leaders with regard to joint eradication and interdiction efforts, we have begun a new war on drugs in this country. The President believes a four-pronged approach is key: education, rehabilitation, interdiction and enforcement. The policy of this Administration is "zero tolerance." No amount of illegal drug use is acceptable. This means dealing with both supply and demand.

ACTION BY THE ADMINISTRATION:

- o **Budget:** The Administration is requesting \$6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly \$1 billion for drug education, treatment and enforcement.
- o **Education:** The Administration is requesting nearly \$1.1 billion for education and prevention efforts. This is a 16 percent increase over 1989, and includes funding for ongoing programs and new initiatives.
- o **Rehabilitation:** Funding for drug abuse treatment will be increased 18 percent. The Administration is proposing over \$700 million to expand the nation's capacity to provide treatment, particularly to the indigent, disadvantaged, youth, and expectant mothers.
- o **Interdiction and enforcement:** The Administration is proposing over \$4.1 billion for law enforcement programs in 1990, a 10 percent increase over 1989. This constitutes about 70 percent of President Bush's proposed drug budget. Substantial increases are requested in funding to strengthen inspection, interdiction, intelligence efforts and crop

eradication programs, such as Operation Polar Cap, a federally led effort which broke up a \$1.2 billion drug money-laundering operation. The President strongly supports the death penalty for drug kingpins who commit drug-related murders, and will appoint judges who will strongly enforce the drug penalty laws.

- o The Administration imposed a temporary suspension of imports of certain types of semi-automatic weapons, and has undertaken an emergency study to identify the best means of reducing drug-related killings and other violent crime.
- o **Public housing:** The Bush Administration is working to make public housing drug free, to protect the rights of the vast majority of decent, law-abiding public housing residents. The Department of Housing and Urban Development has acted:
 - To modify its lease and grievance procedures to facilitate eviction of those involved in drug related criminal activity;
 - To make drug use and trafficking a lease violation subject to eviction proceedings;
 - To target federal assistance to anti-drug security measures;
 - To revoke federal housing subsidies from those dealing in drugs;
 - To involve the private and voluntary sectors in efforts to rid public housing of drugs and give residents, especially young people, a stake in their communities and their futures.
- o In addition, the Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia:
 - **A Metropolitan Area Task Force** will be expanded, with 57 additional representatives from federal agencies, and state and local police from D.C., Maryland and Virginia.
 - **More prisons:** The federal Bureau of Prisons will take custody of 250 inmates from the D.C. jail, and work to locate land for construction of a new prison.
 - **Enforcement:** The FBI will provide support to D.C. police in investigations of drug-related murders.
 - **Rehabilitation:** The National Institute on Drug Abuse will provide assistance in local treatment efforts and will be authorized to establish three new outpatient clinics by 1990.
 - **Prevention:** The Department of Education will provide the District with 50 percent more funds for drug prevention programs in city schools. The Department of Labor will work with the business community to increase job training for youth, and will provide a \$100,000 grant to establish employee assistance programs for drug abuse.

WORKING FOR A KINDER, GENTLER AMERICACHILD CARE

The changing nature of American society heightens the need for quality, affordable, accessible child care. President Bush wants to put choice in the hands of parents so that they -- not government -- have the power to select the best and safest environment for their children.

ACTION BY THE ADMINISTRATION:

- o **Child care:** The President has proposed a child care package, the "Working Family Child Care Assistance Act of 1989" which:
 - Provides a new refundable child care tax credit of up to \$1000 per child under four, for low and moderate income working families.
 - Makes the existing Child and Dependent Care Tax Credit refundable.
 - Does not discriminate against religious- and family-based child care.
- o The President has directed Secretary of Labor Dole to study the market for liability insurance to determine if liability issues impair child care.
- o **Head Start:** The President has also transmitted legislation to the Congress which would increase the FY 1990 authorization for Head Start by \$250 million; this will pay for enrollment of up to 95,000 more four-year-olds in the program.

NATIONAL SERVICE

President Bush has said that "From now on in America, any definition of a successful life must include serving others."

ACTION BY THE ADMINISTRATION:

- o **Office of National Service:** The President established in the White House the Office of National Service to lead the Administration's national service movement. This Office will identify effective community service models and encourage others to duplicate them across the country. It will challenge individuals, schools, businesses, civic and service groups, religious institutions and other entities to expand existing community service programs and to create new ones. The goal of this Office is to make service to others a central part of every American's life, and in so doing, to help to ameliorate the urgent ills which fray the fabric of American society. The Office will recommend changes in national social and economic policy to promote and encourage

service, including tort law reform, welfare law reform and housing, to name a few.

- o **Presidential Proclamation:** In signing the proclamation commemorating National Volunteer Week, April 9-15, the President challenged every American who cares about the future of this country to engage in some meaningful form of community service. He awarded 18 Presidential Awards to those chosen from nearly 2000 applications -- to winners who embody the ideals of goodness, compassion and concern for others.

WELFARE REFORM

The Administration has developed a major new education and job training program to help recipients of Aid to Families with Dependent Children move off welfare and become economically self-sufficient.

ACTION BY THE ADMINISTRATION:

- o **Welfare reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988. The proposed rules are designed to:
 - Target job training assistance to those who are most likely to benefit and who are most at risk for long-term welfare dependency.
 - Provide maximum level of flexibility to AFDC parents in obtaining the type of child care that best suits their needs, consistent with the Administration's legislative proposals on child care.
- o **JOBS Program:** The Administration is proposing to spend \$3.3 billion over the next five years implementing the JOBS program. The changes will pay benefits in the future by reducing the number of individuals on welfare. It is estimated that 138,000 families will be able to leave welfare rolls over the next five years as a result of this program.

EXPANSION OF MEDICAID

The Administration is committed to health care for the disadvantaged, calling for full funding of Medicaid, \$37.6 billion for FY 1990, an increase of \$3.3 billion, or 9.6 percent over the FY 1989 level.

ACTION BY THE ADMINISTRATION:

- o **Expanding Medicaid:** On April 18, the Administration forwarded to Congress proposed legislation to make federal programs better serve pregnant women, infants and children. The legislation would expand significantly the population

Medicaid serves, making Medicaid available to 1.9 million more women when they became pregnant. The legislation would:

- Increase by 374,000 the number of pregnant women and children eligible for Medicaid.
- Foster greater participation in Medicaid by eligible pregnant women by providing services to pregnant women who are presumed eligible for Medicaid before a formal eligibility determination is made; and by requiring States to operate outreach programs in areas of high infant mortality.
- Entitle all children under age 6 who are receiving Food Stamps to Medicaid coverage for immunizations.
- Make the Federal match rate for State administration expenses a uniform 50 percent by gradually reducing special administrative match rates ranging from 75 to 100 percent. The savings that would result would allow the legislative eligibility changes proposed by the President to be implemented within the current program's spending level.

HOUSING/HOMELESSNESS

President Bush has taken a number of steps to create an "opportunity society" of jobs, growth, housing and hope for Americans in need of a helping hand.

ACTION BY THE ADMINISTRATION:

- o **Homelessness:** A proposal to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing, health care and human dignity. President Bush's proposal calls for fully funding the McKinney Homeless Assistance Act and for a new \$50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.
- o **Enterprise zones:** A call for enactment of enterprise zone legislation, to give urban and rural areas the opportunity for jobs and hope for the future. President Bush asked Congress to enact labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities.
- o **Affordable housing:** A commitment to making housing more affordable for low-income families, and to provide homeownership opportunities to the poor and young families just starting out. President Bush proposes to assist 109,000 new families in need of low-income housing, and has pledged to maintain assistance to those families already being helped. President Bush has also signalled his commitment to empowering poor residents of public housing to become homeowners through resident management and ownership of public housing.

ETHICS AND CIVIL RIGHTS

High ethical standards and civil rights for all Americans are central to this Administration, and we will enforce them -- strictly, comprehensively, fairly, and to the letter and spirit of the law.

ACTION BY THE ADMINISTRATION:

- o **Ethics:** The President issued an Executive Order creating the President's Commission on Federal Ethics Law Reform. On March 9, the Commission filed its report and its recommendations to the President. Legislation was sent April 12th to the Congress, and the President issued an Executive Order announcing ethical principles for the conduct of executive branch employees. The President's proposals include:
 - A ban on outside earned income for non-career Presidential appointees in the executive branch, including all employees in the immediate White House Office.
 - Expanded financial disclosure for all three branches of government.
 - Prohibition of the conversion of political contributions for personal or office use.
 - A comprehensive review of federal campaign finance laws, including an assessment of the impact of PACs on parties, competition and political debate. The President believes that PAC contributions to candidates should be eliminated, and he will be consulting with the Congress on this issue. President Bush is also opposed to federal funding of congressional campaigns.
 - Deferral of tax liability when an individual is required by his or her agency to divest assets in order to avoid conflicts of interest.
 - Strengthened rules against abusing the revolving door for private gain at the expense of the public trust. These rules also apply to the legislative branch.
 - A 25 percent pay raise for federal judges was proposed in separate legislation submitted April 12, while the ethics reform legislation restricts their acceptance of honoraria. President Bush believes that honoraria for Members of Congress should be banned; however, the President will not formalize that proposal until after he consults with Congress on that issue and their pay raise. He will include in that discussion the question of a pay increase for certain executive branch positions.
 - The extension of the Independent Counsel statute to cover the Congress.
 - The extension of the federal statute that prohibits employees from taking actions that enhance their own financial interest to cover legislative and judicial branch employees.

- The establishment of an independent ethics office for the Congress, to be headed by a clearly nonpartisan official, confirmed by both houses.
- The application of the existing one-year post-employment "cooling-off" period for senior executive-branch employees to the legislative and judicial branches.

o **Whistleblower protection:** The President supports public servants who revere the trust placed in them by the American people. On April 10, the President signed S. 20, the "Whistleblower Protection Act of 1989." This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.

- This new law will enhance the authority of the Office of Special Counsel, and whistleblowers will also now be allowed to take their cases to the Merit Systems Protection Board.
- The statute alters the legal burdens of proof, making it easier for employees to be vindicated when they are wrongfully penalized by their supervisors for whistleblowing activities.

o **Civil rights:** The Administration has taken a number of actions to protect the civil rights of all Americans, including several court actions in key civil rights cases.

- On March 8, the Department of Justice endorsed the objectives of the Hate Crimes Bill and voiced no opposition to the bill's enactment. The Hate Crimes Bill provides for the collection of data about crimes motivated by race, religion, ethnicity or sexual orientation.
- On March 13, Attorney General Thornburgh announced the filing of Federal housing discrimination lawsuits seeking monetary damages and civil penalties under the expanded enforcement authority of the Fair Housing Amendments Act of 1988.

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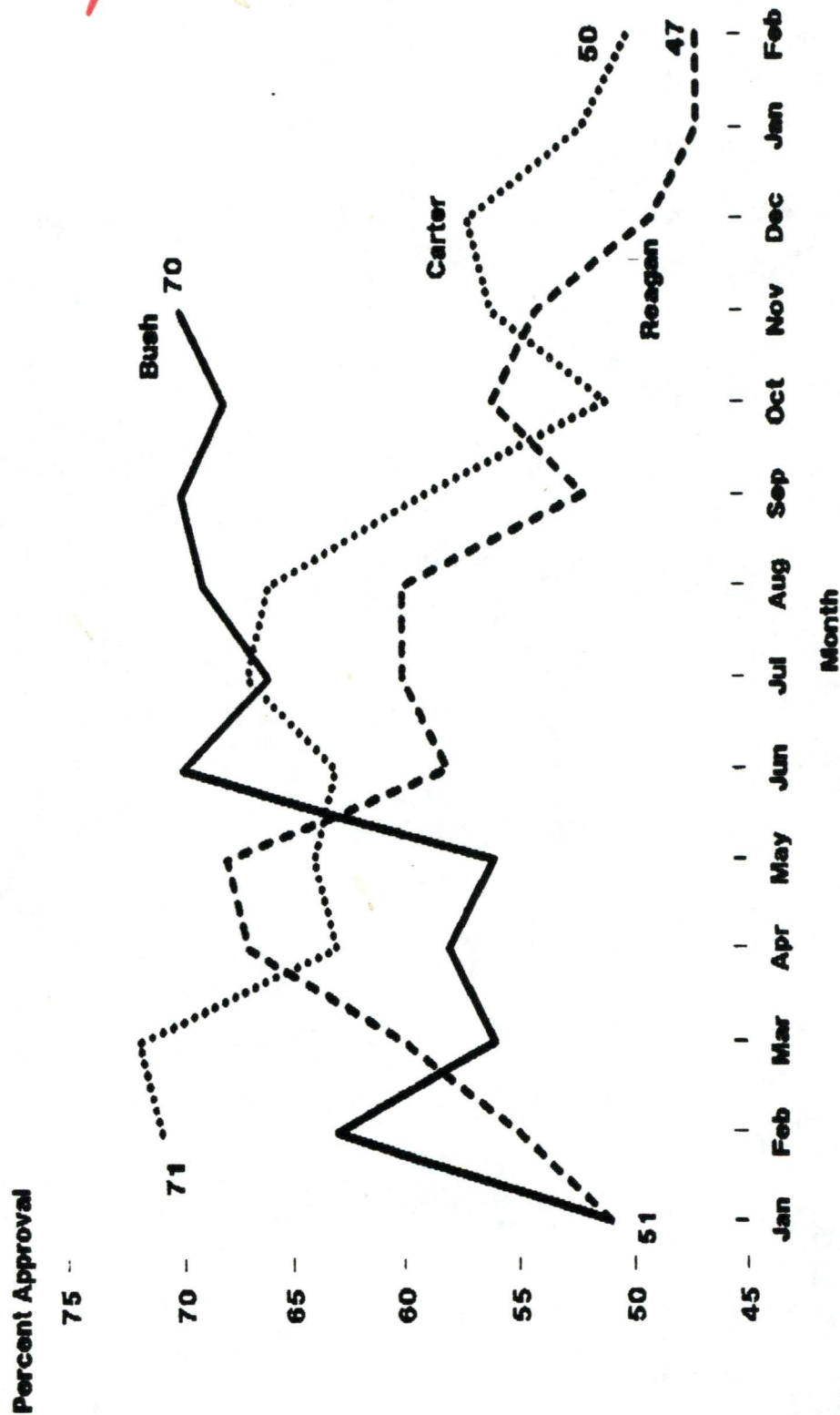
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Confidential

Determined To Be an Administrative
Marking Per E.O. 12356 Sec. 1.1 (a)

Comparative Presidential Job Approval

Through 2nd February of First Term



Source: Gallup Organization
RNC Survey Research

Draft 11-27-89

PRESIDENT BUSH: JOB PERFORMANCE

Do you approve or disapprove of the way George Bush is handling his job as President?
Would that be strongly (approve/disapprove) or just somewhat (approve/disapprove)?

TREND

	Nov.	Sept.	Aug.	July	June	May	April	Feb.
Strongly approve	21%	28%	24%	24%	22%	25%	27%	26%
Just approve	45	43	43	41	44	39	43	37
Just disapprove	14	10	12	13	14	12	11	6
Strongly disapprove	10	8	8	8	9	8	8	4
Don't know/NA	10	12	14	15	12	13	11	27

Collapsed Responses

Approve	66%	71%	67%	64%	65%	64%	70%	64%
Disapprove	23	17	20	21	23	19	19	10

SUBGROUPS

	Approve	Disapprove
Republicans	84%	9
Democrats	55%	35
Mid-Atlantic	61%	24
Industrial Midwest	67%	23
South	67%	22
Pacific	61%	31
Whites	68%	22
Blacks	57%	29
Men	68%	25
Women	65%	22

Comment

R.N.C. surveying finds no significant change in the President's job approval. Since the summer, shifts of approval from every voter group have been small.

While not a conclusive test, Bush's approval does not appear to be cross-pressured by abortion attitudes as he continues to win strong approval from groups often mentioned as possibly defecting from the GOP fold (GOP women, younger Republicans, and younger voters overall).

The President's approval varies by the response of the most important problem facing the country. Adults naming drugs as most important approve more and disapprove less of the President's job than do those naming economic issues as most important (76%-18% versus 63%-29%).

NATIONAL DIRECTION

Do you feel things in this country are generally going in the right direction or do you feel things have pretty seriously gotten off on the wrong track?

TREND

	Nov.	Sept.	Aug.	July	June	May	April	Feb.
Right direction	40%	40%	39%	39%	38%	41%	46%	53%
Wrong track	53	50	49	52	54	53	41	37
Don't know/NA	7	10	12	9	9	7	13	10

Subgroups

	Right Direction	Wrong Track	Bush Approval
Republicans	51%	41	84%
Democrats	30%	63	55%
Whites	42%	50	68%
Blacks	23%	71	57%
Northeast	39%	54	64%
Midwest	43%	51	71%
South	36%	55	67%
West	41%	53	62%
Men	49%	44	68%
Women	31%	62	65%

Comment

An anxiety over the course of the country has been found since the Iran-Contra revelations of two years ago. Since that time, Americans have held approximately the same negative attitudes toward national direction as found today, with occasional upward spikes tied to specific well-covered events such as the Reykjavik Summit. Though subdued during the summer and fall of 1988 as the Bush Campaign successfully controlled the political agenda, this anxiety is seen now to have been unresolved by the last election.

The public does not blame President Bush for their concern over the national direction -- his approval is 52% from adults pessimistic about the course of the country.

Attitudes toward the course of the nation continue to be strongly influenced by partisanship and gender. Strongly varying attitudes are also found in sub-regions of the country: for example, the Pacific states residents rate the direction of the country as 44%-49% right direction/wrong track, while the Mountain states give it a 34%-63%.

NEGOTIATING WITH THE SOVIETS: ARMS CONTROL AND THE SOVIET THREAT

Do you think President Bush and his Administration are moving too slowly, about right, or too fast in negotiating with the Soviet Union on arms control?

1989	Nov.	May
Too slowly	30%	34%
About Right	55	51
Too Fast	10	10
Don't Know/NA	5	5

How serious of a threat do you think the Soviet Union is to the United States these days -- a very serious threat, a serious threat, a minor threat, or not a threat at all?

Very serious threat	9%	10%
Serious threat	32	34
Minor threat	44	42
Not a threat at all	14	13
Don't Know/NA	1	1

Collapsed Responses

Serious threat	41%	44%
Minor or no threat	58	55

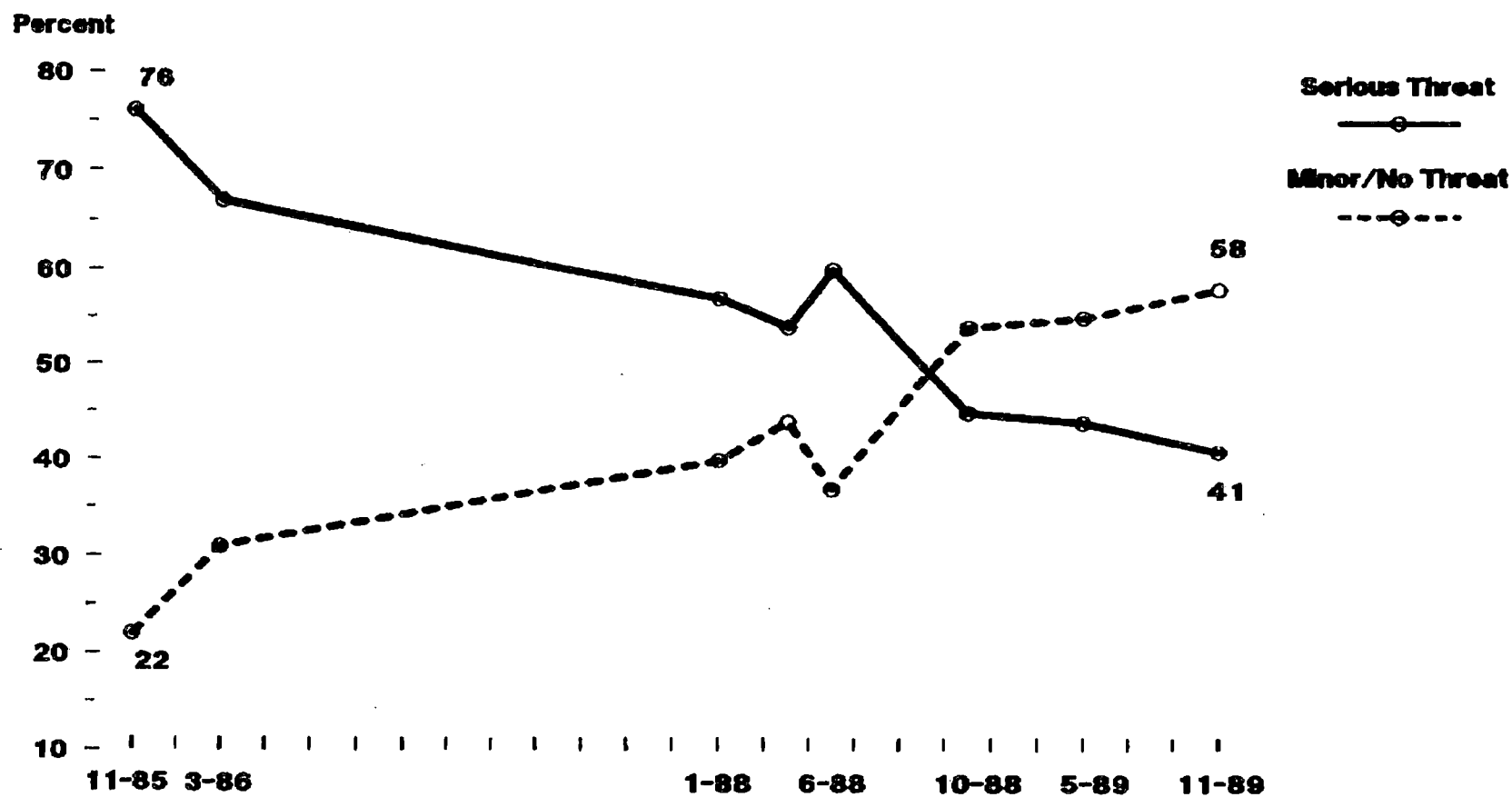
Comment

Perceptions of the Soviet Union's threat to national security are strongly related to socio-economic status: adults less educated, with lower incomes and/or minority voters remain wary of the Soviets.

Since May attitudes toward the Soviet threat have become more polarized by age: Americans who came of age during the height of the Cold War, today they are 45-55 years old, are alone with a majority considering the Soviet Union to be a serious threat to the U.S. Americans younger and older than this generation today consider the U.S.S.R's threat to American security to be minor.

Satisfaction with the pace of the President's arms reduction negotiations remains widespread, with only 39% of Democrats calling it too slow. More conservative Americans do not see the negotiations as proceeding too rapidly: only one in ten Republicans call the President's negotiations pace 'too fast.'

Perceptions of Soviet Threat to U.S.



Source: Various RNC and Public Studies
RNC Survey Research, November 1989

U.S. POLICY RESPONSE TO GORBACHEV'S CHANGES IN SOVIET SOCIETY

There has been a great deal of news recently about changes Gorbachev has made in the Soviet Union. Do you think these changes are real and that we should change our policies toward the Soviet Union, or do you think it is too early and that we should proceed slowly and wait to see what happens in the Soviet Union?

1989	Nov.	May
Real changes/Change policies	9%	11%
Too early/Proceed slowly	88	87
Don't Know/NA	3	2

SUBGROUPS	Real Changes	Too Early
High School or Less	4%	91
Some College	12%	89
College Grad	17%	87
Post-Grad	20%	80
Republicans	6%	92
Democrats	13%	84
Men	12%	86
Women	7%	90

Comment

Americans remain uniformly very skeptical that U.S. policy should be driven yet by Gorbachev's *perestroika* and *glasnost*.