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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 15, 1989

REMARKS BY THE PRESIDENT  
AT REGIONAL MEDIA LUNCHEON

The State Dining Room

12:57 P.M. EDT

THE PRESIDENT: Well, welcome to the White House. And before taking your questions, which I'll be glad to receive, I just wanted to say welcome. I hope that your briefings this morning were interesting and I'm delighted to follow on. I brought some experts along in case I stumble and fall; not an unlikely happening in this highly complicated world we're living in. But I'm pleased to have several of our very top advisors with me at this lunch.

Two areas, two items of immediate administration interests -- and hopefully national interest -- drugs and education have the highest priorities as issues of concern to the American people. And we've laid out a national drug strategy. We had a chance to talk about it a little at our table here, to deal with the scourge of drugs over the long term. And it's a complex strategy in which all pieces fit together in a reinforcing way. We're attacking the use of drugs, the supply of drugs, the law enforcement problems, and then the international aspects of this question.

In addition, we've suggested a funding program of about \$8 billion -- making it an \$8 billion effort. And we believe that we've accommodated this kind of spending, which incidentally is a substantial increase, without jeopardizing either the national security interests or without having to raise taxes on the working men and women of this country.

Under Bob Dole's leadership up in the Senate, we are about to engage in detailed discussions with the Democratic leadership in the Congress. And as I said earlier, we're flexible in terms of the funding method, but I strongly believe that we must retain the integrated elements of this drug strategy, which took more than six months to develop. And we can't afford to sacrifice our military preparedness. And you know what I mean by that. Whenever there's a demand for more funds, somebody says we'll simply take it out of the Defense budget. And we're in complicated times. We're in interesting times vis-a-vis the Soviet Union. And we've got a good national security budget and we've got a good national security strategy, and I view protecting that as a prime responsibility of the President of the United States. So our military, incidentally, is an integral part of this drug strategy -- drug effort.

The other issue is this education summit that will be convened on September 27th and 28th in Charlottesville. We've invited the nation's governors to come together for a two-day period to focus on the educational system, a system which is not, in spite of the money being spent per capita, is not making the grade. And in a recent comparison of 13-year-old students in the United States and 11 other countries, the United States placed last in math and near the bottom in science. And we're spending more money on education than most other countries, and frankly getting less in terms of our investment.

So in summary, the results are not there, and the educational system is basically well-fed, but it's undernourished. And we must find innovative, accountable ways to improve performance.

MORE

The governors -- I was asked here why the governors and what about the role of these professionals that are quite knowledgeable -- but in my view, the governors are the most knowledgeable political leadership in terms of education experience. And I am looking to share new ideas in a number of areas, including teacher recruitment and retention; how to instill a drug-free and crime-free environment in our schools; increasing choice -- I'm a great believer in increased choice for parents and students -- and the role of the federal, state and local governments in meeting the educational needs. All these topics will, I'm sure, be discussed. And we're going to have some roll-up-your-sleeve meetings. Hopefully, the outcome will be new ideas that can help us develop national educational goals and objectives. I'm not sure we've had that before.

And let me just say that before coming over here -- and I don't know that you -- maybe you've been briefed on these. There were some new economic statistics released today -- good news. Producer prices declined in August for the third month in a row. The principal reason was a decline in energy prices. And the PPI dropped .4 percent in July, .1 percent in June. Industrial production rose .3 percent in August -- some rebound in the coal and auto industries. And then the merchandise trade deficit, which continues to plague us, but that deficit declined in July to \$7.6 billion -- and that was the smallest deficit since December of 1984. Imports fell \$1 billion while exports were off .6 percent.

So on the net basis, the situation was improved. And I would add that the economy continues to go forward. I think in October it will be the longest expansion, if you will, in the history of the United States. And so I'm not totally relaxed on all corners of the economy, on all quarters, but basically, why, it continues to produce jobs for the American people.

Now, I'll be glad to take questions.

Q Street agents in the DEA, FBI, ATF and so forth tell us that they've developed good working relationships in the fight against drugs, but that frequently their efforts, to do a combined effort, are hampered by the conflicting investigative priorities of the various federal law enforcement agencies. What do you see being done to try to pull that effort together on a policy level among various federal law enforcement agencies?

THE PRESIDENT: One of the roles of the Drug Czar, Bill Bennett, is coordination. And we have had meetings around our Cabinet table to try to cope with these -- bureaucratic competition that exists. I can't tell you we've got it whipped. I can tell you we've made progress. But I think from a management standpoint, the Drug Czar, with the full confidence of the President, offers the best hope to be able to have us minimize, if not eliminate, the rivalries that sometimes have adversely affected the concerted effort.

But I do think it's a little better. I know it's not solved, because even in my line of work you hear directly from some of the various agents in the various departments, so I know we've still got some work ahead. But the answer would be the Drug Czar office. But to get that to work -- because he is not statutorily in the Cabinet -- he has to have the full support of the President.

Q We have treatment programs in Columbus who are very anxious about this money -- if and when, assuming it does come through, for treatment programs. But some of them are worried about the future. Will this money actually come through? If the nation, as you say, is so concerned about drugs, why wouldn't the people be willing to go for a tax increase to pay for this, to know that the money is going to come year after year?

THE PRESIDENT: Well, I touched on that a little bit because of my desire to see the economy continue, and to have more and more jobs for people. And I think a tax increase would be counterproductive in that objective.

But we had this discussion here at this table, not on that economic side, but on the involvement of others. The federal government is not going to solve the treatment problem by itself. Yes, I think the money will be forthcoming and it will be -- it won't be enough of it to solve the treatment problem in every community in the country. And so what does that leave you? It leaves you local government, state government, and involvement of citizens in the lives of others.

And I mentioned -- I don't want to bore the people that had to -- drew the bean that had them setting here having lunch with me -- but I told them about visiting D.C. General Hospital the other day. And there was a ward full of what they call boarder babies -- boarder in the sense that they're boarding. Not coming from the border -- boarder babies. And that ward was paid for, not by the local government, not by the federal government, but by ten black mothers that got together -- they had been blessed by having things a little better than the mothers that had given birth to these children -- and they were taking care of it.

So I cite -- it's going to be an all-out effort where, in addition to the federal government doing it's thing, people are going to have to help.

Q You don't think people care enough, though, to pay a higher tax?

THE PRESIDENT: Well, I don't think it's a question of taxes. I think people want a fiscal policy that is going to keep this recovery that I mentioned going. And I don't know of any economists who would argue that an increase in taxes would encourage the continuation of that.

And so I think we have to do both. We have to have proper revenues -- and I think we're getting them -- that we can bring to bear on this problem, and then I think we have to involve ourselves in the lives of others.

But you could go out and ask a question -- would you be willing to pay more taxes if you knew it would solve the problem of drugs -- I bet you people would say yes. Would you be willing to pay more taxes if you knew you would never have the threat of nuclear war again? Probably say yes to that one. And so it depends how you ask it.

But we've designed a national strategy that doesn't have to adversely impact the lives of the American working man and woman by raising taxes. And I don't think that there's a great cry out there in the country for more taxes. And they've got a President that doesn't want to raise taxes and is going to work against it, and you've got a President who believes deeply that we've got to stop this drug problem.

Q Mr. President, I'm from Louisville, Kentucky, where a madman went on a rampage yesterday and killed seven people and then himself. He had an arsenal of weapons, including an AK-47. I know they say guns don't kill people, people do, but why do we allow people to get hold of these weapons and "massacre" other people? What would you tell those families in Louisville, Kentucky, who don't have a dad, a brother, a mom after what happened yesterday?

THE PRESIDENT: I'd tell them I feel horrible about the loss of life. I would tell them I'm from Texas. And I remember in that Texas tower a mad person grabbing, in this case, not an automatic weapon, but a hunting rifle and killing a lot of people. And I would tell them that we must do everything we can to enforce laws that are already on the books. I don't know whether Louisville has anti-automatic weapon legislation on its books -- a lot of communities do. I would tell them I don't think banning weapons is going to be the ultimate answer, or could ever safeguard against that kind of tragedy.

If you have somebody that is deranged -- and I don't want to prejudge this poor soul -- but if he was deranged, I'm afraid you're going to have incidents like this. And it is terrible, and the loss of human life is horrible. But I have seen no evidence that a law would -- banning a specific weapon is going to guard against it.

So my view is, do everything you can in terms of education, do everything you can in terms of enforcing your laws that are on the handbooks. And let me diverge for one minute, because I remember back in the '60s, when I was a member of Congress, and I took my arsenal down to be registered down here at the D.C. Police Headquarters, and the guy looked at me like I'd lost my mind. And it was the second-to-last day of registration, and I had a .22 and .410 and I'm a hunter, and I like that. And I gave them the serial numbers and I said, how many people have registered? He said about -- we estimate about 11 percent. This was the day before, and I said, well, are you getting a lot of criminals to turn their guns in? He said, no, it's a bunch of suckers like you from Northwest Washington. And it made a profound impression on me.

Q Mr. President, speaking of finding funds for the drug war, an independent group of the National Governors Association and the National Conference of State Legislatures just reported that primarily, that money is coming from -- as a diversion from other grants to states and localities for public housing, immigrant training -- programs and juvenile justice. If that's the case, then aren't we essentially paying for the drug war by taking money away from other important needs?

THE PRESIDENT: I don't think it is the case, and I don't think we're paying for it by other important needs. You see, I still am of conviction that there are ways to make the government more efficient in terms of spending, and we spend a tremendous percentage of our Gross National Product -- a high percentage of our GNP on federal, and I think it is much less productive spending in terms of enriching the lives of people, so what we tried to do is suggest certain offsets, and some of them we said we're flexible on this. We're very flexible on how you, the Congress, decide you want to pay for this, but here's our suggestions, and I don't think any one of them would have decimated the quality of life of the individuals in this country.

Q Mr. President, the Mayor of Philadelphia and other local elected officials are facing a possible \$80 million deficit within a budget they've already slashed by \$70 million. They took a look at your drug war and said, "It's a great plan, but if you're counting on us for any money, this plan cannot work." Many other good city mayors facing similar budget problems have expressed the same concern. How much of this is going to be passed on to the states and the cities, and if it's a good chunk, as the local officials are saying, how can it work when they have no money?

THE PRESIDENT: Well, you're talking to a president who's facing a rather substantial federal deficit too, so tell the mayor we're in this thing together; we both have enormous deficits. And I am bound under the law to reduce the deficit, the law being Gramm-Rudman-Hollings. And I can't give you the specific figure -- maybe somebody can help me with it -- that's to be passed on to the states. But there are funds to go to the states and municipalities. But it isn't going to be solved by the federal government alone. It is the first time we have had a national strategy. It is aimed at the four categories I told you about. We will do everything we possibly can to help, but the message is, everybody has to be in this together. And the federal government is facing an enormous budget deficit.

Q But their answer to that is, "This can't work." Do you --

THE PRESIDENT: Well, that's the answer of the cynics.

That is the answer of some of the cynics -- the reflex critics that say the first time out of the box, raise taxes. That's what some say to every problem we face in this country. And I took the case to the American people last year on that, and I don't think the American taxpayer is undertaxed. And we made a proposal that was received enormously well by the American people -- some 70 percent saying they supported this national strategy. And so we can't do everything we'd like to do. I'm going to protect the interests of the working man and woman in this country by not going out and raising his taxes, and still having a strategy that I think is unique and imaginative and will take us an enormous way down the road to solving this drug problem.

Q Mr. President, in the state of Illinois, they have spent a half a billion dollars to build 11 prisons, four more under construction. The county jail in Cook County is fined \$1,000 a day for overcrowding. Aren't you saying, sir, that we're going to have to build more jails out in Illinois, but it will have to be paid by raising taxes in Illinois and in Cook County?

THE PRESIDENT: Well, I've talked to Governor Thompson, who incidentally, signed a rather comprehensive drug bill the day after I announced our strategy. And to me, they dovetail rather nicely. But as you know, the federal government has certain responsibilities for federal prisons. And included in our recommendation are substantial amounts of money for increased prison capacity. And, yes, the states and localities are having to step up themselves and do stuff.

Q Raise taxes to do it?

THE PRESIDENT: Well, that's up to them. I'm not going to criticize a governor or a municipality that has to do something on the revenue side. I'm going to try to hold the line as President of the United States on federal taxes.

Q Mr. President, on drugs and taxes, we're currently paying \$150 billion to \$170 trillion a year to defend Europe. And the Congressional panel estimates that's a lot more than the other 15 NATO countries put together. Since the standard of living is higher in other countries and in Europe than it is here now, and since Gorbachev is offering deep cuts in the Warsaw armed forces, why not halve our contribution to the NATO forces and put that money in on the drug war?

THE PRESIDENT: Because we have a very realistic approach to the Soviet Union, and I am delighted to see the changes that are taking place there. And I've heard a lot of rhetoric and I welcome it. And I hope we can move forward on strategic arms and chemical weapon reductions in accord with the innovative proposal that we made and that NATO supported for conventional forces. But I'm like the guy from Missouri: Show me and take your time and do it right. And Europe has had peace for some 40 years now, and if you look at your textbooks, why, you'll see that that's a long, long time in an area of the world that has been troubled by conflict, in an area of the world that has involved us in this century in two -- where we've been involved in two massive wars that in a -- overnight, expenditures went right through the roof, if we're talking about it in terms of money.

So what I want to do is work -- in the first place, keep the Alliance strong. Secondly, prudently deal with the Soviet leadership. And I'm looking forward to sitting down with Mr. Shevardnadze next week. I'm looking forward to the substance that will be talked by Jim Baker and Shevardnadze out in Wyoming following the meeting with me. But not taking gambles and gambling on the come by making universal cuts in our commitment to a strong NATO. We have got to keep that Alliance strong.

And I know there's almost a euphoria in some quarters that they're no risks in the world anymore. Well, I don't believe that. And if you look at the Soviet Union modernizing its nuclear

arsenal at a rather ferocious pace, I'm prudent enough to say "Why? What's happening here? Why are they doing this? Why, if it's all euphoria and everything is rosy, nobody has anything to worry any more about, how come?" And so, let's not let down our Alliance guarantees because we are more optimistic about peace.

I can look at my grandkids today and say I am much more optimistic about their growing up in a world where they don't go to school worried about nuclear conflict -- much more, but that -- how we handle our end of the equation, I think has a lot to do with that.

Q But the American taxpayer, sir, is paying twice as much as the European taxpayer to defend Europe.

THE PRESIDENT: Well, I'm not sure of your numbers. I've never heard that statistic before. But I'm doing what I think is in the national interest of the United States. And part of that is our participation in an Alliance that has kept the peace for 40 years, and so that's the way I would look at it. And look, if you're asking me would I welcome any country in the Alliance doing more, the answer is yes. And that wouldn't extend just to the NATO Alliance, it would be every alliance we have.

Q Mr. President, there have been many great efforts through the years to interdict drugs and solve our drug problem that way. Do you envision a day when we might throw in the towel and treat it like we did prohibition and say let's shift our money from law enforcement back toward education, accept the legalization of drugs and try to fight in a more academic way?

THE PRESIDENT: No, no. I don't visualize such a day.

Q A local question: You recently nominated St. Louis County Executive Gene McNary to be the Director of Immigration and Naturalization. There are some people, even some admirers of Mr. McNary, who say there doesn't seem to be anything in his background that shows a sensitivity, perhaps, to work with minorities and so forth in that job. What did you see in Mr. McNary that led you to make the appointment to what is a growing -- a job that has a growing responsibility?

THE PRESIDENT: Extraordinarily capable manager. And that job is a major management job, and Gene McNary will do a first-class job in it.

Q Mr. President, today, at this very hour, there are three candidates for mayor of Cleveland taking urinalysis tests to prove that they do not have a drug problem. Has our drug problem in America gotten to that extent where even elected officials now have to prove that they're not a part of the problem, but part of the solution?

THE PRESIDENT: No, I don't know that it's gotten to that case. I am one who favors testing in certain categories. And there's a certain lack of dignity that goes, I guess, with that in some ways. Having said all that, I guess you'll remember that a couple of years ago President Reagan and I submitted ourselves to that -- what some thought was indignity. But if you believe in a drug-free workplace or the drug-free armed forces, certain testing is involved in that. I don't know the context of the Cleveland race, so how much of it is -- I just leave to others to assess how much of it's political and how much of it sets a pattern or sets a standard for others. But I think we've come to the point in this fight on drugs that people should be a little less concerned about testing than they have in the past.

And again, I don't live and die by polls if I did I wouldn't be standing here as President; we all remember that from about a year ago. But I would say that I think there is a shift in public opinion and people are much more serious about this fight on drugs. And I think there's much more support for a drug-free workplace, and I think there is much more support for testing.

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Q I'd like to talk about a chemical of a different sort. You campaigned as an environmental candidate. Agricultural chemicals are more and more being discussed now as a major pollutant and a major concern. I'm wondering how aggressive your administration is prepared to be in either helping or pressuring Congress to reduce chemical use?

MR. PRESIDENT: I think we have a responsibility to -- under our Environmental Protection Agency -- to look carefully at the realities of agricultural chemicals, because it does get into the food chain and -- if there's abuse. But I also think that you need a balance in it and EPA's looking at it right now. So I'd have to wait and see what recommendations they make and try to do our best. But we can't overlook that because of the controversy that it's caused in the agricultural community. And that's a little broad in general but that's the only way I know to respond to that one.

Q Your drug strategy is often seen as an urban inner-city initiative. How pervasive do you feel the drug problem is -- I come from rural Minnesota -- and how much of a priority is dealing with drug education and interdiction and helping law enforcement in rural areas?

MR. PRESIDENT: Well, I think in terms of interdiction, it's national and the effect of it is national. In terms of the international affairs component, for example, support for Colombia and what they're trying to do, it will impact favorably if we can encourage them on rural America and on city America.

I think you have to look in terms of treatment and in terms of impact of federal money for education on those areas that are where the most heavy use is. And I think we have to do some vectoring of funds to the highest impact areas. And I think you'll see that when the program goes forward. But in terms of education and the need to have kids understand the risk, it is totally national and it cannot be confined just to metropolitan areas.

Q I've been in Washington a few days. There's two things that seem to be on people's minds. The first one is why Joe Gibbs went for "Pass the ball" in the third in two situation. (Laughter.)

The second thing that comes to mind is the drug issue. We all come from across the country, but in our Nation's Capitol, it's a pervasive problem that has intensified for the past four years. Coming from across the country, we sometimes look to D.C. as a symbol of what's going to happen. What do you see your drug plan doing for the people of the Nation's Capitol and the inner city?

MR. PRESIDENT: You mean with --

Q What the drug plan in doing for the people who live in the inner city -- D.C.

MR. PRESIDENT: Raising hope. I see it raising hope and if we follow through, helping solve the problem. It isn't going to solve it alone. It's going to need those 10 black mothers in the D.C. Ward. It's going to need the schools involved with their local control and their local ability to go into their communities with a sensitivity that the Federal Government will never have.

But I see it -- I see the Presidency using the -- the President using the bully pulpit of the Presidency to stay on it -- to encourage and to exhort and to help financially through this national strategy where we can. But I got to keep making the point, the Federal Government isn't going to solve it. But you're asking about inner cities? But you can get the job done and do it in a lot of different ways, including involving ourselves in the lives of others.

And I don't care how much grief I get -- and it's not so

much anymore because people are beginning to understand it -- about the thousand points of light. But it is one American helping another. It's a teacher who cares. It's a foster parent. It's those ten black mothers in the D.C. Hospital. And it's on and on and on.

And that is how the problem, along with the municipalities and the state governments and the federal government are going to solve this problem. But the President, I think, has a disproportionate responsibility to have a strategy which we now have and then to -- not forget it, to follow-up on it.

And I do believe that in the final analysis we can whip the problem. I was encouraged, and I expect others were here, too, about the decline in casual use of cocaine. Off 30 percent. And that's a good sign.

Now, how do we do the same thing for the crack user -- instead of having it go the wrong way? And I don't see as much on the media, for example, and the entertainment media in terms of condoning that which we now condemn. You don't see that much about it any more. It used to be the joke. And I keep citing -- I hope without prejudice -- the scene in Crocodile Dundee with the guy in his tuxedo and it was humorous, the use of cocaine. Today you don't see that. It's because the industry itself has moved in.

I cited in my drug speech the efforts of a man named Jim Burke who was the former chairman of Johnson & Johnson. He's guaranteeing, to the best of his ability, that \$1 million a day will be spent -- \$1 billion over the next three years -- on reaching out in education -- you know, changing a whole condoning culture into a condemning culture.

And so it's -- I am excited about the potential provided everybody pitches in together. And so what do you say to a kid in the city? There's something better for you, and we've got to prove it.

Q Your last question -- you mentioned your grandchildren a while ago, and this is kind of a personal question, maybe putting this in perspective for us. How do you feel as a human being and as a grandfather about the drug scourge? Are you afraid that your family members, your grandchildren, your friends, relatives, the people in the White House family are going to be seduced by drugs? Do you identify with the grandparents across the nation?

THE PRESIDENT: Yes, I worry about it -- of course I do -- about these kids. Peer group pressure -- enormous. Declining, I hope, but enormous. And so when I stand out there in the garden with the DARE program that teaches these kids out of the efforts by police officers all across this country to turn their back and how to resist peer pressure, I can identify with that -- perhaps more than if I didn't have these 11 grandchildren.

But I'm not pessimistic about it. I think America is waking up, and we are beginning to condemn that which, let's face it, we've condoned. We condoned it in my theory in a kind of a post-Vietnam period, or even in the Vietnam War period. We have got to understand the pressures that lead one that wants to escape. Now we see that it was wrong. We see that in condoning it, for whatever the reason, should have been condemned. And I think as that national more changes -- those national mores change, then I think you're going to find that the future of not just my 11 grandchildren, but the others, is far brighter. And mine, you know, are blessed with not having some of the pressures of a neighborhood where there are high incidences of cocaine use.

But, now we've got to take this changing mores -- these changing mores and have inner city America, highly-impacted America understand. And of course that has to, in my view, be coupled with opportunity -- opportunity to work, have an honest living instead of

one where you're a lookout at \$100 a crack for some drug addict. And so we've got a big educational job to do.

But I do worry about it, and I don't think any kid is immune from this peer pressure. But I'm absolutely convinced it's changing. You know, you can bark on something like a war on drugs and people say, yes, yet another war, and you have your cynics out there. And I can understand it because there have been efforts made and they've gone off the radar screen. But this one isn't going to go off the radar screen.

And what I've got working for me in this time frame in which I'm serving as President is this changing feeling in the country that we've got to do something about it. It's not just the administration, it's not just a handful of teachers or some parents group. It's the country itself. And that is very different, and that is working for us.

And so this gentleman doesn't feel I'm giving him the brush-off. You see, I think if we then go out and legalize drugs, we work just the opposite from what I'm saying are the changed -- the appropriately changing mores in this country, and that's why I strongly oppose it. And as long as I'm President, there will not be any federal-level consideration given to -- federal government-level consideration given to the legalization of narcotics. It simply -- it's counterproductive as we try to help in this whole field of education.

Q In Detroit we have severe drug problems, but we also have other problems: Blight, abandoned housing, and decay. UDAG monies and block grant monies have been decreased significantly over the past few years. Will those monies be returned in some capacity, and how does the Bush administration propose rebuilding America's inner cities, including Detroit?

THE PRESIDENT: We've got a brand new Secretary of Housing who is aggressively going after tenant ownership and changes in the housing programs. I don't want to mislead you. I don't think you'll see a change soon on revenue-sharing or increased UDAGs, for example, you asked about. But I think we've got a program that emphasizes ownership and tenant ownership, helping to clean the existing projects from narcotics reach, and then I come back to jobs -- jobs. And it's got to be the economy that is going to lift people up. A job in the private sector is the best poverty program.

And you look at the demographics -- and we again bored you all at lunch about this -- but their changing. And in the year 2000 -- and what -- Roger, somebody help me -- 2010 there are going to be more jobs than there are people looking for jobs. And that says then to the federal government, the state government, the government in Detroit -- train people, job retraining -- training them for jobs that will exist. And that, of course, gets back into what we were talking about at our table, about educational excellence. So it's education, job retraining, all of which impact in this question of housing. If a person has a job and a reasonable salary, he hopefully can afford to have an apartment or have a -- make a down payment on a house.

All right, she was very persistent, over here, screaming in outrage because I boycotted the table. This is the last one.

Q Thank you very much.

THE PRESIDENT: I'll say ahead of her question that I've always learned that the last question is the one that gets you in trouble. So let me see the seams on this one. (Laughter.)

Q In Pittsburgh, we are arresting drug suspects and they're being turned loose from the Allegheny County Jail because of overcrowding. Federal court ordering has mandated a certain population cap. Across the river -- Pittsburgh, our state prison facility has been ruled an overcrowded fire trap by another federal

judge. My question is, our Allegheny County Commissioner has written you asking you for permission to open military bases, underused or closed military facilities, to house some of these prisoners, especially the drug suspects that we're letting go. How will you respond to --

THE PRESIDENT: I'll respond to this as being given serious and active consideration. You talk about closing a military base now, come on out and try it sometime. (Laughter.) Even though the law prescribes it, and even though we have a sound program up there right now in the Senate, some people are challenging the closing of these bases. And it isn't much fun to have to go to a community that's been dependent on a base and say we're going to close your base.

Every congressman wants to close bases in somebody else's district -- or every senator, but in someone else's state. And we have a program to do this, and part of it might well be active consideration being given to a concept of using these facilities for jail space. There's some existing bases where we might be able to do that. There's some trading where you take prisoners from one jurisdiction and boarding them in somebody else's jail. They're innovative programs in terms of jail construction of lease backs. And so there's a lot of new thinking going on, including the proposals that are in our strategy of -- and this doesn't get directly to your question -- of more federal prisons.

But I think the man, whoever -- this fellow suggested this -- is on to something, and we will try to be very cooperative in that regard.

Q How soon might you respond to him if he's written about a week or two ago?

THE PRESIDENT: Well, tell him to get in line -- I get about 100 -- let's see, how many -- I'll tell you, one of the great -- they were asking me the joys of this job at the table. One of the frustrations is the mail, and the volume is horrendous. But your having raised it, I trust somebody will -- he will be hearing from him sooner than he might of. But we've got to be responsive on these -- (laughter) -- it's an understandable frustration when somebody asks. And I would simply take this opportunity to ask for forbearance and to say we will endeavor to do our very best.

When I left for summer vacation, the backlog on our mail was something like 100,000 letters. It was down to 9,000 when we got back -- somebody else doing all the heavy lifting, obviously. But we do want to do better on it. And especially when somebody is crying from the heart for help on a problem of this sensitivity. But we'll look into that one and see when he -- and hope he gets a very positive response. I expect your having brought it up, he will.

Listen, thank you all very, very much. (Applause.)

END

1:38 P.M. EDT

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/13/89 ACTION/CONCURRENCE/COMMENT DUE BY: 9/13/89 4:00 PM

SUBJECT: ANTICIPATED QS AND AS, MIDWESTERN PRESS BRIEFING

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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GRAY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Thursday, September 14, with a copy to my office. Thank you.

RESPONSE: September 14, 1989

NSC concurs with fixes and suggestions, as marked.

*B. Scowcroft*  
Brent Scowcroft

**James W. Cicconi**  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

**ANTICIPATED QUESTIONS AND ANSWERS  
MIDWESTERN PRESS BRIEFING  
FRIDAY, SEPTEMBER 15, 1989**

89 SEP 14 P12:55

**DRUG STRATEGY**

**Many previous Administrations have launched anti-drug campaigns.**

**Why do you think this particular Strategy will work?**

Unlike past anti-drug efforts, this strategy will work because it is a truly coordinated national effort. This means federal, state and local levels must work together. In fact, at the federal level, Director Bennett's leadership has already brought about strong interagency cooperation. We're urging the state and local levels to follow this lead, and join us in this coordinated strategy.

**If you could name the one distinguishing strength of this Strategy above all others, what would it be?**

The Strategy's biggest strength is this: it is comprehensive. This is the first such national strategy designed to end drug use and drug trafficking, a fully integrated approach that is an assault on every front. Our plan addresses all the elements necessary to an effective strategy: school and drug prevention programs, our treatment system, our laws and criminal justice system, and our foreign policy. In short, it is just as comprehensive as the problem. With this strategy, we now have a plan that coordinates our resources, our programs and the people who run them.

**Exactly what will your Strategy mean for my community?**

Keep in mind that this is a national, not a federal strategy. And while Washington cannot solve this problem alone, Washington will have a role to play. For example, in communities across the country, we will work through HUD to kick drug dealers out of public housing, and the Department of Education will spearhead the Drug Free Schools and Communities program. As far as actual dollars are concerned, we'll be increasing Federal support of local treatment programs by \$321 million, increasing assistance to State and local law enforcement by \$200 million, and expanding education and prevention programs in local schools and communities by \$233 million.

Communities, too, have just as big a role to play. The Administration is urging State and local governments to enact tougher laws, and increase their funding of local anti-drug efforts. And most importantly of all, increased community involvement is key. We are calling on every school, college, university, and workplace to adopt tough, fair anti-drug policies.

**How are you going to pay for everything you've proposed?  
Realistically, don't you think we're going to have to raise taxes?**

No, I don't think we have to raise taxes. If we can formulate a strategy that works without raising taxes, why not give it a try? The American people simply do not want higher

taxes, and said so during the last Presidential election. I heard Bill Bennett put it this way the other day: Low taxes did not cause the drug problem, and high taxes are not going to solve it.

The Director of the Office of Management and Budget has transmitted a letter to the Appropriations Committee recommending funding levels and areas where money can be offset. The Congress helped formulate this Strategy, and I am looking to the Congressional leadership for bipartisan support in its funding and implementation.

**Do you really think the money is enough?**

There isn't enough money in the Treasury to pay for everything everyone would like to do. However, this proposal -- at nearly \$8 billion -- is the single largest drug budget increase ever.

But as I said in my national address, those who judge our strategy only by its price tag simply don't understand the problem. We all know that money alone won't solve our problems -- so we're looking at a coordinated national strategy that unites the American people at the grassroots level in this difficult fight.

People in my community believe that we could solve the drug problem if people just stopped buying drugs. Why spend large

*INSERT: Additional Q & A on Drug Strategy (attached)*

**sums on police and interdiction when we could just stop the problem through prevention and treatment plans?**

We need to deal with both the supply and demand side of the equation. It is harder for users to stop while drugs are easily available. We must attempt to reduce the supply because fewer people will be able to use drugs when drugs are less available. Good law enforcement deters demand. By making it harder to obtain drugs, we increase the effectiveness of prevention programs.

Second, when users seeking help can't physically get to a treatment program because dealers are on the streets and in the hallways intimidating them, then enforcement is the first step to treatment. For both these reasons, we are stepping up our enforcement and interdiction measures.

#### AGRICULTURE AND TRADE

**How big a role do you envision for agriculture in correcting the trade imbalance?**

Agriculture is a major player in the U.S. economy because it accounts for 16 percent of the U.S. GNP. Agriculture does its part in reducing the trade deficit by providing a constant positive trade balance. Ag exports over last \_\_\_\_\_ years up \_\_\_\_\_%.

**What do you think are the most important issues in agriculture are facing the Administration now?**

1990 Farm Bill, the Uruguay Round of trade negotiations, food safety, and environmental issues all are important. The next four years at the Department will probably be the busiest in its history. In the next 15 months, for example, Secretary Yeutter and his team will negotiate with Congress on the Farm Bill, <sup>negotiate</sup> ~~(attend talks)~~ with the 96 GATT ~~members~~ on new rules of the road for international agriculture trade, and then have to modify the farm legislation to make it consistent with the ~~(ending)~~ results of the GATT talks. ✓

In fact, my Trade Representative, Carla Hills, has been in Europe this week with a simple -- and urgent -- message. We need ambitious results in these trade talks. For too long, we have only reacted to changes in global trade. The Uruguay Round is this century's last, best chance to act. (The final session of the Uruguay Round has been set for the first week in December of 1990.)

**What is the status of the extension of the steel VRAs and the negotiation of the international consensus on the elimination of unfair trade practices?**

We have had several rounds of negotiations with each of our major steel trading partners on the extension of the steel VRAs. I expect these negotiations to intensify in the next two weeks.

It is our expectation that we will conclude new steel agreements with these countries by September 30.

I am equally optimistic about the success of the international consensus on the elimination of unfair trade practices in the steel sector. The negotiation of such a consensus is critical. We must get to the root cause of the steel problem -- pervasive unfair trade and closed markets -- if we are to have a long-term solution for steel. Based on the results of our discussions with our trading partners to date, I can tell you that many of them share our concerns. I believe we can work together to address unfair trade in this sector in a positive way.

Is the U.S. already extending the economic assistance to Poland and Hungary that you announced in Warsaw and Budapest, and are we doing anything more now that a Solidarity government has been installed in Poland?

Yes, we are moving quickly ahead on all the announced programs. <sup>Yesterday we announced an additional \$50 million in food assistance.</sup> Secretary Mosbacher will be talking with the Polish and Hungarian governments about <sup>private investment and next steps</sup> ~~our steps~~ when he visits Budapest and Warsaw September 17 - 20. Secretary Mosbacher is taking a group of distinguished American businessmen with him to each country to intensify the pace of private sector involvement in these countries. We have already met with other Western countries to coordinate assistance, and <sup>measures are</sup> ~~additional food aid is~~ <sup>being developed.</sup> ~~will shortly be~~ <sup>already</sup> on its way to Poland. ✓

The Administration has sent a request to Congress for legislation to establish Enterprise Funds for Poland and Hungary, and to give us authority to extend OPIC, GSP, environmental and labor programs. The Congress has promised quick consideration.

What is the current status of our trade relationship with Japan?

As you know, I recently had the pleasure of meeting with the new Prime Minister <sup>Mr. Kaifu,</sup> on his first visit to Washington <sup>earlier this month.</sup> Trade was an important part of our agenda. A substantial increase in Japan's imports, especially of manufactured goods, is a key element in clearing up our trade problems. The Japanese government has pledged to make Japan an importing "superpower." I told the Prime Minister I supported this pledge. I urged that prompt and effective measures be taken to make that goal a reality.

And in order to reduce our bilateral trade deficit, we have launched new initiatives to increase market access in Japan for U.S. exports of satellites, supercomputers and wood products, and have engaged the Japanese Government in talks aimed at a mutual elimination of structural barriers to trade and payments adjustments.

Japan is already our major market for agricultural products and a key consumer of many semi-processed exports. Our goal is to greatly increase sales of U.S. manufactured goods in Japan, in addition to these more traditional sales. We seek to increase U.S. exports to Japan, not restrict Japanese sales here.

Last week, an extensive exchange with the Japanese was held in the U.S.-Japan Trade Committee to address these and other market access problems.

**What will EC 1992 mean for U.S. business and U.S. exporters, and what is the Administration doing to help U.S. business adjust to EC 1992?**

The EC will not be a fragmented market consisting of 12 countries anymore. Although their Governments will remain separate, the EC will become a "single internal" market of 320 million people worth over \$4 trillion.

The EC 1992 program should benefit U.S. business, as long as the EC internal market is completed in an open manner. For example, EC 1992 will mean harmonization of industrial standards and the opening of markets in traditionally state-dominated fields such as telecommunications and broadcasting. These should benefit U.S. exporters.

Our sole concern is that when trade barriers are lowered within Europe, new barriers are not raised between Europe and the rest of the world. Our aspiration -- and expectation -- is that in removing internal barriers, EC 1992 will not result in higher external barriers to the rest of the world. My Administration is making every effort to work with the Europeans to ensure this outcome.

The Commerce Department has negotiated or helped negotiate important agreements with the EC on both industrial standards and financial services. The Commerce Department has also set up an office to inform businesses of key developments on the EC 1992 program, helping businesses take advantage of the market opportunities.

### EDUCATION

What is realistically going to be the result of the Education Summit? What do you hope to accomplish?

If we examine what has happened across the country since the report "A Nation At Risk", was issued we know that although a number of states adopted comprehensive reforms, many others did not. It is also true that elements of long-lasting reform, such as providing more parental choice in schools for their children, are not yet pervasive in America. It is clear that we need a mechanism for obtaining a national consensus on what must be done across the entire country to improve education. Building that national consensus begins with collectively determining what our national aspirations are and how we are going to assure that we achieve them. Sitting down with the governors begins that process.

**Why are education leaders being excluded from the Education Summit?**

They are not. The summit process begins with a number of small-group meetings I will be holding with education leaders prior to the Charlottesville meeting. In fact, one was held this week. These meetings give them the opportunity to discuss their concerns and advise me on what avenues we should pursue at the summit. The conference itself is just that -- a summit meeting of all of the chief executives in the nation with the President of the United States.

Only Governors will attend for two reasons. First, the fact that on two prior occasions of great national importance the President met with the governors as a group (Teddy Roosevelt on conservation and Franklin Roosevelt on matters related to the Great Depression) lends an important level of symbolic significance to the meeting by placing our education crisis on a very visible plane. Second, while the federal government has a significant role to play in helping solve our educational problems, governors must lead the way -- education is, after all, a state responsibility and maintaining that focus, along with a bipartisan political orientation, is extremely important.

**What topics are going to be discussed?**

Revitalizing the teaching profession; improving learning among students; the responsibilities and authority of various levels of government; restructuring education and providing more

choice; achieving a competitive workforce and providing for lifelong learning in our society; and issues related to postsecondary education.

**What is the role of the Secretary of Education in the Education Summit? Is he being left out of the planning process? Will he be at your side during the Summit?**

The Secretary of Education has been intimately involved in the planning of the summit and will play a significant role in its program.

**Will you be making a major announcement at the Education Summit?**

I will deliver a major address as part of the summit.

# # #

**ANTICIPATED QUESTIONS AND ANSWERS  
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FRIDAY, SEPTEMBER 15, 1989**

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# # #

ADDITIONAL Q & A ON DRUG STRATEGY

Q. Are you going to send U.S. troops to fight the drug lords?

A. Let me explain my policy on the role of U.S. military forces in assisting countries fighting drug cartels. First of all, none of these countries has asked for U.S. troops, and there is no contemplation of the use of U.S. Armed Forces personnel in any combat role in the Andean countries. What the countries did ask for -- and what we are prepared to provide -- is training for their police and military personnel, equipment, and operational support. No U.S. military personnel will accompany host-government forces on actual field operations. U.S. personnel in these countries will provide training on U.S.-provided equipment and on the tactics related to the employment of that equipment; they will also provide logistical support.

**ANTICIPATED QUESTIONS AND ANSWERS  
MIDWESTERN PRESS BRIEFING  
FRIDAY, SEPTEMBER 15, 1989**

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DATE: 9/13/89 ACTION/CONCURRENCE/COMMENT DUE BY: 9/13/89 4:00 PM

SUBJECT: ANTICIPATED QS AND AS, MIDWESTERN PRESS BRIEFING

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
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BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Thursday, September 14, with a copy to my office. Thank you.

**RESPONSE:**

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

**ANTICIPATED QUESTIONS AND ANSWERS**

**MIDWESTERN PRESS BRIEFING**

**FRIDAY, SEPTEMBER 15, 1989**

**SEP 14 P12:55**

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**If you could name the one distinguishing strength of this Strategy above all others, what would it be?**

The Strategy's biggest strength is this: it is **comprehensive**. This is the first such national strategy designed to end drug use and drug trafficking, a fully integrated approach that is an assault on every front. Our plan addresses all the elements necessary to an effective strategy: school and drug prevention programs, our treatment system, our laws and criminal justice system, and our foreign policy. In short, it is just as comprehensive as the problem. With this strategy, we now have a plan that coordinates our resources, our programs and the people who run them.

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Communities, too, have just as big a role to play. The Administration is urging State and local governments to enact tougher laws, and increase their funding of local anti-drug efforts. And most importantly of all, increased community involvement is key. We are calling on every school, college, university, and workplace to adopt tough, fair anti-drug policies.

→ Not only govt, but individuals. Urge spouses friends, children.

**How are you going to pay for everything you've proposed?**

**Realistically, don't you think we're going to have to raise taxes?**

No, I don't think we have to raise taxes. If we can formulate a strategy that works without raising taxes, why not give it a try? The American people simply do not want higher

taxes, and said so during the last Presidential election. I heard Bill Bennett put it this way the other day: Low taxes did not cause the drug problem, and high taxes are not going to solve it.

The Director of the Office of Management and Budget has transmitted a letter to the Appropriations Committee recommending funding levels and areas where money can be offset. The Congress helped formulate this Strategy, and I am looking to the Congressional leadership for bipartisan support in its funding and implementation.

**Do you really think the money is enough?**

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But as I said in my national address, those who judge our strategy only by its price tag simply don't understand the problem. We all know that money alone won't solve our problems - - so we're looking at a coordinated national strategy that unites the American people at the grassroots level in this difficult fight.

**People in my community believe that we could solve the drug problem if people just stopped buying drugs. Why spend large**

**sums on police and interdiction when we could just stop the problem through prevention and treatment plans?**

We need to deal with both the supply and demand side of the equation. It is harder for users to stop while drugs are easily available. We must attempt to reduce the supply because fewer people will be able to use drugs when drugs are less available. Good law enforcement deters demand. By making it harder to obtain drugs, we increase the effectiveness of prevention programs.

Second, when users seeking help can't physically get to a treatment program because dealers are on the streets and in the hallways intimidating them, then enforcement is the first step to treatment. For both these reasons, we are stepping up our enforcement and interdiction measures.

#### AGRICULTURE AND TRADE

**How big a role do you envision for agriculture in correcting the trade imbalance?**

Agriculture is a major player in the U.S. economy because it accounts for 16 percent of the U.S. GNP. Agriculture does its part in reducing the trade deficit by providing a constant positive trade balance. Ag exports over last \_\_\_\_\_ years up \_\_\_\_\_%.

**What do you think are the most important issues in agriculture are facing the Administration now?**

1990 Farm Bill, the Uruguay Round of trade negotiations, food safety, and environmental issues all are important. The next four years at the Department will probably be the busiest in its history. In the next 15 months, for example, Secretary Yeutter and his team will negotiate with Congress on the Farm Bill, attend talks with the 96 GATT-members on new rules of the road for international agriculture trade, and then have to modify the farm legislation to make it consistent with the ending results of the GATT talks.

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We have had several rounds of negotiations with each of our major steel trading partners on the extension of the steel VRAs. I expect these negotiations to intensify in the next two weeks.

It is our expectation that we will conclude new steel agreements with these countries by September 30.

I am equally optimistic about the success of the international consensus on the elimination of unfair trade practices in the steel sector. The negotiation of such a consensus is critical. We must get to the root cause of the steel problem -- pervasive unfair trade and closed markets -- if we are to have a long-term solution for steel. Based on the results of our discussions with our trading partners to date, I can tell you that many of them share our concerns. I believe we can work together to address unfair trade in this sector in a positive way.

Is the U.S. already extending the economic assistance to Poland and Hungary that you announced in Warsaw and Budapest, and are we doing anything more now that a Solidarity government has been installed in Poland?

Yes, we are moving quickly ahead on all the announced programs. Secretary Mosbacher will be talking with the Polish and Hungarian governments about our steps when he visits Budapest and Warsaw September 17 - 20. Secretary Mosbacher is taking a group of distinguished American businessmen with him to each country to intensify the pace of private sector involvement in these countries. We have already met with other Western countries to coordinate assistance, and additional food aid is already on its way to Poland.

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**What is the current status of our trade relationship with Japan?**

As you know, I recently had the pleasure of meeting with the new Prime Minister on his first visit to Washington. Trade was an important part of our agenda. A substantial increase in Japan's imports, especially of manufactured goods, is a key element in clearing up our trade problems. The Japanese government has pledged to make Japan an importing "superpower." I told the Prime Minister I supported this pledge. I urged that prompt and effective measures be taken to make that goal a reality.

And in order to reduce our bilateral trade deficit, we have launched new initiatives to increase market access in Japan for U.S. exports of satellites, supercomputers and wood products, and have engaged the Japanese Government in talks aimed at a mutual elimination of structural barriers to trade and payments adjustments.

Japan is already our major market for agricultural products and a key consumer of many semi-processed exports. Our goal is to greatly increase sales of U.S. manufactured goods in Japan, in addition to these more traditional sales. We seek to increase U.S. exports to Japan, not restrict Japanese sales here.

Last week, an extensive exchange with the Japanese was held in the U.S.-Japan Trade Committee to address these and other market access problems.

**What will EC 1992 mean for U.S. business and U.S. exporters, and what is the Administration doing to help U.S. business adjust to EC 1992?**

The EC will not be a fragmented market consisting of 12 countries anymore. Although their Governments will remain separate, the EC will become a "single internal" market of 320 million people worth over \$4 trillion.

The EC 1992 program should benefit U.S. business, as long as the EC internal market is completed in an open manner. For example, EC 1992 will mean harmonization of industrial standards and the opening of markets in traditionally state-dominated fields such as telecommunications and broadcasting. These should benefit U.S. exporters.

Our sole concern is that when trade barriers are lowered within Europe, new barriers are not raised between Europe and the rest of the world. Our aspiration -- and expectation -- is that in removing internal barriers, EC 1992 will not result in higher external barriers to the rest of the world. My Administration is making every effort to work with the Europeans to ensure this outcome.

The Commerce Department has negotiated or helped negotiate important agreements with the EC on both industrial standards and financial services. The Commerce Department has also set up an office to inform businesses of key developments on the EC 1992 program, helping businesses take advantage of the market opportunities.

### EDUCATION

What is realistically going to be the result of the Education Summit? What do you hope to accomplish?

If we examine what has happened across the country since the report "A Nation At Risk", was issued we know that although a number of states adopted comprehensive reforms, many others did not. It is also true that elements of long-lasting reform, such as providing more parental choice in schools for their children, are not yet pervasive in America. It is clear that we need a mechanism for obtaining a national consensus on what must be done across the entire country to improve education. Building that national consensus begins with collectively determining what our national aspirations are and how we are going to assure that we achieve them. Sitting down with the governors begins that process.

**Why are education leaders being excluded from the Education Summit?**

They are not. The summit process begins with a number of small-group meetings I will be holding with education leaders prior to the Charlottesville meeting. In fact, <sup>two were</sup> ~~one was~~ held this week. These meetings give them the opportunity to discuss their concerns and advise me on what avenues we should pursue at the summit. <sup>I</sup> The conference itself is just that -- a summit meeting of all of the chief executives in the nation with the President of the United States.

*meet afterwards*

Only Governors will attend for two reasons. First, the fact that on two prior occasions of great national importance the President met with the governors as a group (Teddy Roosevelt on conservation and Franklin Roosevelt on matters related to the Great Depression) lends an important level of symbolic significance to the meeting by placing our education crisis on a very visible plane. Second, while the federal government has a significant role to play in helping solve our educational problems, governors must lead the way -- education is, after all, a state responsibility and maintaining that focus, along with a bipartisan political orientation, is extremely important.

**What topics are going to be discussed?**

*environments despite drugs, crime*

Revitalizing the teaching profession; <sup>how do we create a good</sup> ~~improving~~ learning among ~~students~~; the responsibilities and authority of various levels of government; restructuring education and providing more

choice; achieving a competitive workforce and providing for lifelong learning in our society; and issues related to postsecondary education.

**What is the role of the Secretary of Education in the Education Summit? Is he being left out of the planning process? Will he be at your side during the Summit?**

The Secretary of Education has been intimately involved in the planning of the summit and will play a significant role in its program.

**Will you be making a major announcement at the Education Summit?**

I will deliver a major address as part of the summit.

# # #

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/13/89 ACTION/CONCURRENCE/COMMENT DUE BY: 9/13/89 4:00 PM

SUBJECT: ANTICIPATED QS AND AS, MIDWESTERN PRESS BRIEFING

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Thursday, September 14, with a copy to my office. Thank you.

**RESPONSE:**

See Comments  
9/14/89

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

ANTICIPATED QUESTIONS AND ANSWERS  
MIDWESTERN PRESS BRIEFING

FRIDAY, SEPTEMBER 15, 1989 SEP 14 P12:55

DRUG STRATEGY

Many previous Administrations have launched anti-drug campaigns.

Why do you think this particular Strategy will work?

Unlike past anti-drug efforts, this strategy will work because it is a truly coordinated national effort. This means federal, state and local levels must work together. In fact, at the federal level, Director Bennett's leadership has already brought about strong interagency cooperation. We're urging the state and local levels to follow this lead, and join us in this coordinated strategy.

If you could name the one distinguishing strength of this Strategy above all others, what would it be?

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How big a role do you envision for agriculture in correcting the trade imbalance?

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*New  
announcement  
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White House  
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9

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### EDUCATION

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1. May want to mention Press closed events.

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choice; achieving a competitive workforce and providing for lifelong learning in our society; and issues related to postsecondary education.

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DATE: 9/13/89 14 P 2:01 ACTION/CONCURRENCE/COMMENT DUE BY: 9/13/89 4:00 PM

SUBJECT: ANTICIPATED QS AND AS, MIDWESTERN PRESS BRIEFING

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
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DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

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RESPONSE: *See comments*

James W. Cicconi  
 Assistant to the President  
 and Deputy to the Chief of Staff  
 Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

**NOTICE:**

Enclosed are comments from staff members of the Office of Management and Budget (OMB). Such comments do not necessarily represent the official position of the Director of OMB or of the Office of Management and Budget. If you wish to have the Director's personal comments, please let me know -- and contact me if you have any questions.

A handwritten signature in black ink, appearing to read "David J. Haun".

David J. Haun  
Executive Assistant  
to the Director

**ANTICIPATED QUESTIONS AND ANSWERS  
MIDWESTERN PRESS BRIEFING  
FRIDAY, SEPTEMBER 15, 1989**

89 SEP 14 P12:55

**DRUG STRATEGY**

**Many previous Administrations have launched anti-drug campaigns.**

**Why do you think this particular Strategy will work?**

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taxes, and said so during the last Presidential election. I heard Bill Bennett put it this way the other day: Low taxes did not cause the drug problem, and high taxes are not going to solve it.

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Hale  
3/20

Do you really think the money is enough?

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This is not  
an increase  
of 88 billion.  
Same as X 4580

But as I said in my national address, those who judge our strategy only by its price tag simply don't understand the problem. We all know that money alone won't solve our problems - so we're looking at a coordinated national strategy that unites the American people at the grassroots level in this difficult fight.

People in my community believe that we could solve the drug problem if people just stopped buying drugs. Why spend large

sums on police and interdiction when we could just stop the problem through prevention and treatment plans?

We need to deal with both the supply and demand side of the equation. It is harder for users to stop while drugs are easily available. We must attempt to reduce the supply because fewer people will be able to use drugs when drugs are less available. Good law enforcement deters demand. By making it harder to obtain drugs, we increase the effectiveness of prevention programs.

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How big a role do you envision for agriculture in correcting the trade imbalance?

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Grady  
+4844

**What do you think are the most important issues in agriculture are facing the Administration now?**

1990 Farm Bill, the Uruguay Round of trade negotiations, food safety, and environmental <sup>will</sup> issues all <sup>be</sup> are important. The next four years at the Department will probably be the busiest in its history. In the next 15 months, for example, Secretary Yeutter and his team will negotiate with Congress on the Farm Bill, attend talks with the 96 GATT-members on new rules of the road for international agriculture trade, and then have to modify the farm legislation to make it consistent with the ending results of the GATT talks.

In fact, my Trade Representative, Carla Hills, has been in Europe this week with a simple -- and urgent -- message. We need ambitious results in these trade talks. For too long, we have only reacted to changes in global trade. The Uruguay Round is this century's last, best change to act. (The final session of the Uruguay Round has been set for the first week in December of 1990.)

**What is the status of the extension of the steel VRAs and the negotiation of the international consensus on the elimination of unfair trade practices?**

We have had several rounds of negotiations with each of our major steel trading partners on the extension of the steel VRAs. I expect these negotiations to intensify in the next two weeks.

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Subsidies  
on a  
multilateral  
basis

It is our expectation that we will conclude new steel agreements with these countries by September 30.

I am equally optimistic about the success of the international consensus on the elimination of unfair trade practices in the steel sector. The negotiation of such a consensus is critical. We must get to the root cause of the steel problem -- pervasive unfair trade and closed markets -- if we are to have a long-term solution for steel. Based on the results of our discussions with our trading partners to date, I can tell you that many of them share our concerns. I believe we can work together to address unfair trade in this sector in a positive way.

Is the U.S. already extending the economic assistance to Poland and Hungary that you announced in Warsaw and Budapest, and are we doing anything more now that a Solidarity government has been installed in Poland?

Yes, we are moving quickly ahead on all the announced programs. Secretary Mosbacher will be talking with the Polish and Hungarian governments about our steps when he visits Budapest and Warsaw September 17 - 20. Secretary Mosbacher is taking a group of distinguished American businessmen with him to each country to intensify the pace of private sector involvement in these countries. We have already met with other Western countries to coordinate assistance, and additional food aid is already on its way to Poland.

The Administration has sent a request to Congress for legislation to establish Enterprise Funds for Poland and Hungary, and to give us authority to extend OPIC, GSP, environmental and labor programs. The Congress has promised quick consideration.

**What is the current status of our trade relationship with Japan?**

As you know, I recently had the pleasure of meeting with the new Prime Minister on his first visit to Washington. Trade was an important part of our agenda. A substantial increase in Japan's imports, especially of manufactured goods, is a key element in clearing up our trade problems. The Japanese government has pledged to make Japan an importing "superpower." I told the Prime Minister I supported this pledge. I urged that prompt and effective measures be taken to make that goal a reality.

And in order to reduce our bilateral trade deficit, we have launched new initiatives to increase market access in Japan for U.S. exports of satellites, supercomputers and wood products, and have engaged the Japanese Government in talks aimed at a mutual elimination of structural barriers to trade and payments adjustments.

Japan is already our major market for agricultural products and a key consumer of many semi-processed exports. Our goal is to greatly increase sales of U.S. manufactured goods in Japan, in addition to these more traditional sales. We seek to increase U.S. exports to Japan, not restrict Japanese sales here.

Last week, an extensive exchange with the Japanese was held in the U.S.-Japan Trade Committee to address these and other market access problems.

**What will EC 1992 mean for U.S. business and U.S. exporters, and what is the Administration doing to help U.S. business adjust to EC 1992?**

The EC will not be a fragmented market consisting of 12 countries anymore. Although their Governments will remain separate, the EC will become a "single internal" market of 320 million people worth over \$4 trillion.

The EC 1992 program should benefit U.S. business, as long as the EC internal market is completed in an open manner. For example, EC 1992 will mean harmonization of industrial standards and the opening of markets in traditionally state-dominated fields such as telecommunications and broadcasting. These should benefit U.S. exporters.

Our sole concern is that when trade barriers are lowered within Europe, new barriers are not raised between Europe and the rest of the world. Our aspiration -- and expectation -- is that in removing internal barriers, EC 1992 will not result in higher external barriers to the rest of the world. My Administration is making every effort to work with the Europeans to ensure this outcome.

The Commerce Department has negotiated or helped negotiate important agreements with the EC on both industrial standards and financial services. The Commerce Department has also set up an office to inform businesses of key developments on the EC 1992 program, helping businesses take advantage of the market opportunities.

### EDUCATION

What is realistically going to be the result of the Education Summit? What do you hope to accomplish?

If we examine what has happened across the country since the report "A Nation At Risk", was issued we know that although a number of states adopted comprehensive reforms, many others did not. It is also true that elements of long-lasting reform, such as providing more parental choice in schools for their children, are not yet pervasive in America. It is clear that we need a mechanism for obtaining a national consensus on what must be done across the ~~entire~~ country to improve education. Building that ~~national~~ consensus begins with collectively determining what our national aspirations are and how we are going to assure that we achieve them. Sitting down with the governors begins that process.

Holmes  
45178

**Why are education leaders being excluded from the Education Summit?**

They are not. The summit process begins with a number of small-group meetings I will be holding with education leaders prior to the Charlottesville meeting. In fact, one was held this week. These meetings give them the opportunity to discuss their concerns and advise me on what avenues we should pursue at the summit. The conference itself is just that -- a summit meeting of all of the chief executives in the nation with the President of the United States.

Only Governors will attend for two reasons. First, the fact that on two prior occasions of great national importance the President met with the governors as a group (Teddy Roosevelt on conservation and Franklin Roosevelt on matters related to the Great Depression) lends an important level of symbolic significance to the meeting by placing our education crisis on a very visible plane. Second, while the federal government has a significant role to play in helping solve our educational problems, governors must lead the way -- education is, after all, a state responsibility and maintaining that focus, along with a bipartisan political orientation, is extremely important.

**What topics are going to be discussed?**

Revitalizing the teaching profession; improving learning among students; the responsibilities and authority of various levels of government; restructuring education and providing more

choice; achieving a competitive workforce and providing for lifelong learning in our society; and issues related to postsecondary education.

What is the role of the Secretary of Education in the Education Summit? Is he being left out of the planning process? Will he be at your side during the Summit?

The Secretary of Education has been intimately involved in the planning of the summit and will play a significant role in its program.

Will you be making a major announcement at the Education Summit?

I will deliver a major address as part of the summit.

# # #

Paul Luthrieger

**SUGGESTED TALKING POINTS**  
**PRESIDENT BUSH'S MEETING**  
**WITH MID-WESTERN JOURNALISTS**

- o The food and agriculture sector employs 16 percent of all civilian jobs in the production, processing and distribution of farm related products. In addition, agriculture is a major player in the U.S. economy because it accounts for 16 percent of the U.S. GNP. Agriculture also does its part in reducing the trade deficit by providing a constant positive trade balance.
- o The agenda for agriculture and Secretary Clayton Yeutter has broadened. It wasn't too many years ago when most people only cared about the income and support farm policies. Now, the 1990 Farm Bill, the Uruguay Round of agricultural trade negotiations, food safety and environmental issues take quite a bit of Clayton's time.
- o The next four years at the Department will probably be the busiest in its history.
- o In the next 15 months, Clayton Yeutter and his team will negotiate with the Congress on the 1990 Farm Bill and with the 96 GATT-members on new rules of the road for international agriculture trade. We will then have to modify the 1990 farm legislation to make it consistent with the ending results of the GATT talks.
- o Both of these negotiations will impact U.S. agriculture for the next decade and into the 21st century. Clayton will have to skillfully forge a piece of farm legislation that gives us adequate negotiating leverage for the final days of the Round, while addressing water quality, food safety and soil conservation issues.
- o The final negotiating session of the Uruguay Round has been set for the first week of December in 1990. U.S. agriculture has a great deal at stake in these talks.
- o World agriculture is the most distortive sector in our global economy. Worldwide agricultural subsidies plus the cost to consumers of protectionist agricultural policies now total about \$150 billion yearly. This Round of trade talks is the "train leaving the station" that offers us the best opportunity to correct this fiscal madness.
- o We in the U.S. must spend enormous sums of money to counter, directly or indirectly, the farm policies of competitor nations. If we can convince those nations to change their policies over time, we can afford to change ours too. Production decisions would then be based much more on market conditions and much less on the whims of governments. That needed change would be

particularly welcomed by taxpayers everywhere, and this includes U.S. farmers.

- o There are many challenges that lie ahead of us in the agricultural arena. We have one of the most qualified in the country to lead that challenge--Clayton Yeutter. He will be busy in the next two years, but never underestimate a Cornhusker!

###

THE WHITE HOUSE

WASHINGTON

August 31, 1989

SCHEDULE PROPOSAL:

TO: JOHN SUNUNU  
Chief of Staff

THROUGH: DAVID DEMAREST  
Assistant to the President for Communications

CHRISS WINSTON  
Deputy Assistant to the President for  
Communications

BARRIE TRON  
Deputy Director Media Relations

FROM: PAUL LUTHRINGER  
Assistant Director Media Relations

REQUEST: To schedule Chief of Staff to brief reporters from  
the Midwest at regional briefing.

ONDCP Director William Bennett and  
Agriculture Secretary Clayton Yeutter and POTUS  
are also scheduled to attend.

BACKGROUND: Midwestern-based media are concerned with the  
Administration's war on drugs, agriculture policy,  
and commitment to education and trade issues.

This briefing comes after the unveiling of the  
President's drug initiative, and before his  
scheduled visit to Northwestern states. This  
will be the second briefing with regional media  
to date.

DATE AND TIME: September 15, 10:50 a.m.

DURATION: Bennett--20 minutes, Yeutter--20 minutes, Governor  
Chief of Staff Sununu--15 minutes, POTUS--90  
minutes

LOCATION: East Room (Followed by luncheon with POTUS in  
State Dining Room)

PARTICIPANTS: The President  
Chief of Staff Sununu  
William Bennett  
Clayton Yeutter  
66 regional reporters  
Media Relations staff

TELEFAX COVER SHEET

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C. 20506

Clearance (to Geneva) \_\_\_\_\_

Date 9/12/89

Time Sent \_\_\_\_\_

C.D. Log Number 19

All Originals Will Be Returned

Number of Pages Excluding Cover 6

TO:	NAME:	AGENCY:	PHONE #:	FAX #:
	<u>Holly Williamson</u>	<u>White House</u>	<u>x 2245</u>	<u>456-6218</u>
		<u>Communication</u>		

FROM: Bob Fisher

PHONE: x 5114

FAX #: (202)395-3911

CONTACT: Computer Operations Information Service Desk: (202)395-3417

SUBJECT: Trade Policy Q's - A's

COMMENTS: As we discussed.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON  
20506

September 13, 1989

MEMORANDUM TO: Holly Williamson  
FROM: Bob Fisher  
SUBJECT: Trade Policy Questions and Answers

Attached are five questions and answers covering U.S. trade policy. If you have any questions or need additional information, please call me on x5114.

## BUSH ADMINISTRATION TRADE POLICY

### Question

There has been no clear statement of the Bush Administration's trade policy. Would you tell us what your policy is?

### Answer

America stands for freedom. Whether in terms of freedom of expression, religion or political belief, we have fought for the right of people everywhere to make their own choices.

Indeed, choice is at the heart of our economic system. I believe everyone should have the right to choose how, when and where to buy or sell goods and services freely in a fair market. That is competition. It is one of America's fundamental strengths.

This is what our trade policy is about--competition. We seek a world where the creativity of entrepreneurs, not governments, determines how industries and farmers compete and how nations trade.

We have a three-pronged strategy to achieve this goal:

- o Our highest trade priority is to conclude successfully the Uruguay Round of multilateral trade talks now underway in Geneva by their December 1990 deadline;
- o Second--and in an effort that is consistent with our Uruguay Round aims--we will pursue bilateral and regional market-opening initiatives; and
- o Finally, we will use our domestic trade laws to further these objectives.

## THE URUGUAY ROUND AND U.S. TRADE POLICY

### Question

Since the Uruguay Round is the Administration's highest trade priority, could you give us some idea of our goals for the talks and where the talks stand?

### Answer

We need to revamp the global trading system, particularly the General Agreement on Tariffs and Trade--the GATT. There are areas, such as agriculture, where the system's rules are inadequate. And in dynamic sectors like services, intellectual property and investment, rules simply do not exist.

My Trade Representative, Carla Hills, has been in Europe this week with a simple--and urgent--message. We need ambitious results in these trade talks. For too long, we have only reacted to changes in global trade. The Uruguay Round is this century's last, best chance to act.

Accordingly, we have certain minimum requirements from the Round:

- o Fundamental reform of agricultural trade,
- o The extension of the trading system's rules to the so-called "new areas" of services, intellectual property and investment,
- o Expanded market access for trade in goods,
- o An end to trade-distorting subsidies, and
- o The creation of a sure, swift mechanism for settling inevitable trade disputes.

We have made significant progress in most of these areas, but much work still needs to be done. I am confident we will have solid, far-reaching agreements by the end of next year.

## THE EUROPEAN COMMUNITY

### Question

The European Community (EC) is in the midst of an effort to create a single integrated market by 1992. This effort is often called EC 1992. What is your position on this effort?

### Answer

Americans have long been avid supporters of a unified European market. After World War II, we committed more than \$17 billion--equal to \$88 billion today--to help rebuild Europe. We actively supported the establishment of the European Community.

Today, we hail the current efforts to increase competition within Europe by the removal of internal market barriers. We strongly support and are vitally interested in the EC's march toward a single market.

Our sole concern is that when trade barriers are lowered within Europe, new barriers are not raised between Europe and the rest of the world. Our aspiration--and expectation--is that in removing internal barriers, EC 1992 will not result in higher external barriers to the rest of the world. My Administration is making every effort to work with the Europeans to ensure this outcome.

## U.S. TRADE POLICY AND JAPAN

### Question

How is the Administration resolving trade issues with Japan?

### Answer

As you know, I recently had the pleasure of greeting the new Prime Minister on his first visit to Washington. Trade was an important part of our agenda. I emphasized to the Prime Minister the importance America attaches to resolving the outstanding issues and on reducing our bilateral trade imbalance.

A substantial increase in Japan's imports, especially of manufactured goods, is a key element in clearing up our trade problems. The Japanese government has pledged to make Japan an importing "superpower". I told the Prime Minister I supported this pledge. I urged that prompt and effective measures be taken to make that goal a reality.

In recent years Japan has reduced or eliminated many formal trade barriers. The deficit persists despite these actions and the dollar's depreciation, leading us to conclude that there are informal, structural barriers to entry in the Japanese market.

We have two major initiatives to address this problem. The first is the Structural Impediments Initiative--the SII--a new approach to U.S.-Japan trade problems. It seeks to identify and change the structural features of our two economies that serve as informal trade barriers.

We have raised a broad range of problems in Japan, including savings and investment, land use, the distribution system and price mechanisms, and exclusionary practices by Japan's private sector. At the first substantive meeting earlier this month, we took nine hours to lay out our case. We will meet again in early November, and the two sides have agreed to an interim progress report next spring and a final report early in the summer.

In addition, we have our ongoing effort to improve market access in Japan for specific sectors and products. For example, we are concerned over Japan's barriers to American exports of forest products, satellites and supercomputers. In these sectors, U.S. firms enjoy major advantages in terms of quality and cost. They perform well in markets all over the world--except Japan's.

Last week, an extensive exchange with the Japanese was held in the U.S.-Japan Trade Committee to address these and other market access problems. In the coming months, we will continue to meet with the Japanese in order to find solutions which will open the Japanese market to these and other competitive U.S. exports.



UNITED STATES DEPARTMENT OF COMMERCE  
The Deputy Under Secretary for  
International Trade  
Washington, D.C. 20230

FACSIMILE COVER SHEET

(UNCLASSIFIED DOCUMENTS ONLY)

DATE: September 13, 1989

TO: Mr. Jeff Vogt

ORGANIZATION & FAX NUMBER: White House, 456-6218

TELEPHONE: 456-7845

NO. OF PAGES: 4 (Excluding Cover)

FROM: Dr. Phyllis Genther, 377-1051

ORGANIZATION: International Trade Administration, Office of Under Secretary

COMMENTS: In response to your request to Mary Lewis yesterday, we have  
prepared questions and answers on four trade issues which we  
believe are of great interest to Midwestern businessmen. Please  
call us if you need additional information or have questions.

U.S. Department of Commerce  
Room H3840  
14th and Constitution Avenue, NW  
Washington, DC 20230  
FAX: (202) 377-5933  
OFFICE: (202) 377-3917



## STEEL

QUESTION:

What is the status of the extension of the steel VRAs and the negotiation of the international consensus on the elimination of unfair trade practices?

ANSWER:

- o We have had several rounds of negotiations with each of our major steel trading partners on the extension of the steel VRAs. I expect these negotiations to intensify in the next two weeks. It is our expectation that we will conclude new steel agreements with these countries by September 30.
- o I am equally optimistic about the success of the international consensus on the elimination of unfair trade practices in the steel sector. The negotiation of such a consensus is critical. We must get at the root cause of the steel problem -- pervasive unfair trade and closed markets -- if we are to have a long-term solution for steel. Based on the results of our discussions with our trading partners to date, I can tell you that many of them share our concerns. I believe we can work together to address unfair trade in this sector in a positive way.

## TRADE WITH POLAND AND HUNGARY

QUESTION:

Is the United States already extending the economic assistance to Poland and Hungary that the President announced in Warsaw and Budapest and are we doing anything more now that a Solidarity government has been installed in Poland?

ANSWER:

- o Yes, we are moving quickly ahead on all the announced programs. Secretary of Commerce Mosbacher will be informing the Polish and Hungarian governments about these when he visits Budapest and Warsaw September 17-20. Secretary Mosbacher is taking a group of distinguished American businessmen with him to each country to intensify the pace of private sector involvement in these countries. He also will be informing the governments of new areas in which we propose to cooperate.
- o We have already met with other Western countries to coordinate assistance, and additional food aid is already on its way to Poland.
- o The Administration has sent a request to Congress for legislation to establish Enterprise Funds for Poland and Hungary, and to give us authority to extend OPIC, GSP, environmental and labor programs. The Congress has promised quick consideration.
- o The American people are responding tremendously to the courageous acts of the Polish and Hungarian peoples, and there are hundreds of groups mobilizing their resources to help the food, medical, training, financial and other needs of these countries.

TRADE WITH JAPANQUESTION:

What is the current status of our trade relationship with Japan?

ANSWER:

- o We are according a very high priority to our commercial relations with Japan. In order to reduce further our bilateral trade deficit, we have launched new initiatives to increase market access in Japan for U.S. exports of satellites, supercomputers and wood products and have engaged the Japanese Government in talks aimed at a mutual elimination of structural barriers in our economies to trade and payments adjustments. Japan is already our major market for agricultural products and a key consumer of many semi-processed exports. Our goal is to greatly increase sales of U.S. manufactured goods in Japan in addition to these more traditional sales. We seek to increase U.S. exports to Japan, not restrict Japanese sales here.

## EC 1992

QUESTION:

What will EC 1992 mean for U.S. business and U.S. exporters, and what is the Commerce Department doing to help U.S. business adjust to EC 1992?

ANSWER:

- o The goal of the European Community's 1992 project is to complete a single internal market resulting in the free flow of goods, capital, people and services. The 1992 program is designed to eliminate all non-tariff barriers which have resulted in market inefficiencies and have hindered the EC's economy in the past.
- o The 1992 initiative should create a richer, more prosperous Europe. European consumers should gain increased buying power. An economically stronger and technologically more advanced European Community is in our best interest, since the EC is our biggest trading partner.
- o The EC will not be a fragmented market consisting of 12 countries anymore. Although their Governments will remain separate, the EC will become a "single internal" market of 320 million people worth over \$4 trillion.
- o The EC 1992 program should benefit U.S. business, as long as the EC internal market is completed in an open manner. For example, one of the most important aspects of EC 1992 is the harmonization of industrial standards. Manufacturers will be able to sell their products throughout the EC once they have met EC standards instead of having to make expensive product modifications to meet individual country standards. This change should benefit U.S. exporters, particularly small exporters. The EC is also going to open markets in other traditionally state-dominated fields such as telecommunications and broadcasting.
- o Certain problems remain, such as ensuring national treatment in financial services and an open process in standards setting so that U.S. firms are fully informed and involved from the start on the EC's planned industrial standards. The Commerce Department has negotiated or helped to negotiate important agreements with the EC on both of these crucial issues.
- o The Commerce Department has also set up an office to inform business of key developments on the EC 1992 program, helping business take advantage of the market opportunities offered by EC 1992.



UNITED STATES DEPARTMENT OF EDUCATION  
PUBLIC AFFAIRS

OFFICE OF THE DIRECTOR

September 13, 1989

NOTE TO HOLLY WILLIAMSON

FROM: MELINDA KITCHBELL *MK*

RE: Proposed Questions for President Bush's briefing with  
Midwest regional press to take place September 15

Following are the questions and answers you requested. I have listed the Education Summit questions first, followed on the next 2 pages with possible answers. Following that are questions on funding, dropouts, drugs and choice.

1. What is realistically going to be the result of the Education Summit? Do you really think that by your sitting down with the Governors we can expect any improvement in education to result? What do you hope to accomplish?
2. Why are all the education leaders being excluded from the Education Summit?
3. What topics are going to be discussed?
4. What is the role of the Secretary of Education in the Education Summit? Is he being left out of the planning process? Will he be at the President's side during the Summit?
5. Will the President make a major announcement at the Education Summit?

- 1). If we examine what has happened across the country since "A Nation At Risk," we are aware that although a number of states adopted comprehensive reforms, many others did not. It is also true that elements of long-lasting reform, such as providing more choice among the schools students attend, are not yet pervasive in America. It is clear that we need a mechanism for obtaining a national consensus on what must be done across the entire country to improve education. Building that national consensus begins with collectively determining what our national aspirations are and how we are going to assure that we achieve them. Sitting down with the governors begins that process.
  
- 2). They are not. The summit process begins with a number of small-group meetings with the President prior to the Charlottesville meeting. Education leaders will attend one of those meetings and will have an opportunity to discuss their concerns and to advise him on what avenues he should pursue at the summit. The conference itself is just that - a summit meeting of all of the chief executives in the nation with the President of the United States. It has only the governors in attendance for two reasons. First, the fact that on two prior occasions of great national importance the president met with the governors as a group (Teddy Roosevelt on conservation and

Franklin Roosevelt on matters related to the Great Depression) lends an important level of symbolic significance to a meeting with governors - it places the educational emergency on a very high plane. Secondly, it is very clear that our attack on educational problems to this point has depended very heavily on governors to lead the way - education is, after all, a state responsibility and maintaining that focus, along with a bipartisan political orientation, is extremely important.

- 3). Revitalizing the Teaching Profession; Improving Learning Among Students; the Responsibilities and Authority of various levels of Government; Restructuring Education and Providing more Choice; Achieving a Competitive Workforce and Providing for Lifelong Learning in our Society, and Issues Related to Postsecondary Education.
- 4). The Secretary of Education has been intimately involved in the planning of the summit and will play a significant role in its program.
- 5). The president will deliver a major address as part of the summit.

**WHAT MUST WE DO TO MAKE OUR SCHOOLS DRUG FREE?**

In trying to make our schools drug free, the first step is realizing that schools cannot do it alone. Research and experience both prove that the most effective programs are comprehensive community-based programs that include parental support, clear no use drug policies that are strictly enforced, coupled with K-12 drug prevention education and supervised extra-curricular activities.

**SCHOOLS SHOULD:**

- o Determine the extent and character of drug use and monitor that use regularly.
- o Establish clear and specific rules regarding drug use that include strong corrective actions.
- o Enforce established policies against drug use fairly and consistently. Policies should include sanctions for violations. Ensure adequate security measures to eliminate drugs from school premises and school functions.
- o Implement a comprehensive drug prevention curriculum for kindergarten through grade 12, teaching that drug use is wrong and harmful, and supporting and strengthening resistance to drugs.
- o Reach out to the community for support and assistance in making the school's anti-drug policy and program work. Develop collaborative arrangements in which school personnel, parents, school boards, law enforcement officers, treatment organizations, and private groups can work together to provide necessary resources.

**IN ADDITION -****PARENTS SHOULD:**

- o Teach standards of right and wrong, and demonstrate these standards through personal example.
- o Help children to resist peer pressure to use alcohol and other drugs by supervising their activities, knowing who their friends are, and talking with them about their interests and problems.
- o Be knowledgeable about drugs and signs of drug use. When symptoms are observed, respond promptly.

**STUDENTS SHOULD:**

- o Learn about the effects of drug use, the reasons why drugs are harmful, and ways to resist pressures to try drugs.
- o Use an understanding of the danger posed by drugs to help other students avoid them. Encourage other students to resist drugs, persuade those using drugs to seek help, and report those selling drugs to parents and the school principal.

**COMMUNITIES SHOULD:**

- o Help schools fight drugs by providing them with the expertise and financial resources of community groups and agencies.
- o Involve local law enforcement agencies in all aspects of drug prevention: assessment, enforcement, and education. The police and courts should have well-established relationships with the schools.

**SPENDING & EDUCATIONAL OUTCOMES**

**Q: Isn't more spending now needed in public elementary and secondary education?**

**A: An across-the-board increase in federal spending on public elementary and secondary schools is not the answer to our education problems. The figures reported in the State Education Performance Chart, the findings of a number of respected education researchers, and recent trends indicate that there is no clear relationship between higher spending and better school performance.**

- o The "wall chart" shows that there is only a weak association between test scores and spending levels across States. The correlation is only .24 between States' SAT scores and current expenditures per pupil; for ACT States, the correlation is .30. New Hampshire, for example, spends less than the national average but ranks at the top on its SAT scores.
- o Professor Eric Hanushek, a noted education economist, recently summarized the results of 187 articles examining the relationship between student achievement and education inputs such as per pupil spending, class size and teacher salaries. He concludes that "[I]ndeed, detailed research spanning two decades and observing performance in many different educational settings provides strong and consistent evidence that expenditures are not systematically related to student achievement."
- o The rise in school spending nationally during the 1980's has not produced a concomitant rise in student outcomes. Between school years 1981-82 and 1988-89, aggregate spending on elementary and secondary education, adjusted for inflation, rose 23 percent, to \$199 billion. Although ACT and SAT scores have risen somewhat since 1980, they have not improved over the past 4 years. Likewise, the high school graduation rate has shown little improvement over the same period.
- o The United States spends more than most other industrialized countries on education, yet is consistently outperformed on international math and science assessments.

What education requires is not more spending but better targeting and accountability for the huge amounts the nation now spends. The Administration's education initiatives target additional resources to where they can be used effectively to fund educational innovations and incentives for high-performing schools, teachers and students. President Bush's directive to the Department of Education to assess accountability in federal programs also will contribute to spending that is more tightly focused on results.

OPBE/PES  
9/13/89

### School Reform

**Q. Do you think school reform can work?**

**A.** What we mean by reform is restructuring our schools to provide the best education possible for all of our children. Our desire for reform is based on our belief that all students can learn and it is our responsibility to develop an educational environment which fosters this. To construct such an environment requires a collaborative effort. Local school administrators, teachers, parents, businesses, and State education departments must all work together with us so that we can have the kind of educational system we know is possible.

**Q. Your answer sounds good, but can you be more specific? For example, has the Federal Government provided any direction for state and local educators to know where they might begin with?**

**A.** Yes. We have tried to provide leadership through identifying problem areas and suggesting ways in which educators might deal with them. A Nation At Risk addressed the real issues facing public education and recommended critical reforms. Its recommendations still apply: standards need to be strengthened in our schools and colleges, teachers need to be better prepared, and schools, teachers, parents, and students should be held accountable for educational progress.

While we recognize that education is primarily the responsibility of the States and locals, we see the role of the Federal Government as providing strong positive leadership.

**Q. Do you know of any places that are making progress on school reform?**

**A.** There are many States that are implementing aspects of school reform. In fact, one of the most widely implemented reforms is the increase in high school standards. Another reform that is being implemented with success in numerous places is the use of strategies identified in the effective school movement. Many schools using these strategies are literally turning their school around. Kids are learning, teachers are feeling better about their profession, and parents and the business community are becoming partners in education. We are also encouraged that many colleges and universities are revisiting their teacher education programs.

Let me give you a specific example of a State that is making outstanding progress toward school reform and how they implemented it. South Carolina, like many States, mandated certain educational reforms. But they went farther than the mandate. They formed coalitions to make sure that the reforms worked. These coalitions are made up of teachers, superintendents, the business community and parents. The way they brought teachers into the coalition was to ensure by law

that State salaries would be brought up to the average in the Southeast. Businesses were willing to participate because strong accountability measures were built into the programs--incentive pay and stronger staff evaluations. Parents and minority groups participated because expenditures for compensatory education were provided. Each group could support the program because they could see the benefit. With this strong support the program is working. South Carolina has shown some of the largest gains in student test scores of any State in recent years.

Q. Well where does the reform movement go from here?

A. We feel that we need to build on these excellent past efforts. The areas we would like to focus on are: alternative teacher certification to bring in the best teachers; choice which will provide parents and students an opportunity to select the educational setting most appropriate for their needs; increased accountability at all levels, and increased incentives for those individuals and schools who do exceptionally well.

Q. That seems like quite a lot. Do you think this can be accomplished?

A. Yes, in fact many of these initiatives are already working. For example, Minnesota has a Statewide choice option, and several other States are following suit. Rochester, NY in partnership with Kodak is doing some outstanding things training exceptional young people in math and science. All of these efforts show that reform not only makes sense, it can work. But, it will take what South Carolina did, building coalitions and working together with parents, teachers, local and State departments to develop an education community where all children can learn.

**QUESTIONS AND ANSWERS ON EDUCATIONAL CHOICE**

## o What is the concept of educational choice?

Educational choice allows families to choose which public schools their children will attend. Choice programs can have several variations; they can enable parents to select from specialty schools, schools inside and outside their districts that offer curriculum or a climate not available in their neighborhood schools, and alternative schools that serve students with special needs.

## o How does the public feel about choice?

A 1987 national Gallup poll asked "Do you think that parents in this community should or should not have the right to choose which local schools their children attend?" 71% answered "yes," 20% said "no," and 9% did not know.

## o What does research show about choice?

A considerable body of research has looked at schools of choice, including alternative schools, magnet schools, and various open enrollment programs. Generalizable findings include:

- o For all types of students, from the neediest to the most outstanding, choice produces significant growth and achievement: cognitive, social, and affective. These benefits are not attributable to school selectivity--in fact most magnet schools do not select students on the basis of past academic performance.
- o Both attendance and student behavior improve in schools of choice.
- o Alternative schools are highly popular with staff, students, and parents. In various ways, all three groups show unusual satisfaction and approval rates.
- o Permitting families to select among schools increases parent involvement. Parents seek out information on schools and take an active interest in the school and their student's progress.
- o Alternatives manage to "personalize" the school environment and to make it a genuine community of individuals.

Minnesota's Open Enrollment Options Program permits parents of children ages 5-18 to transfer their children to schools outside their district. Choice can address a variety of needs of students and families. Parents give various reasons for the transfers:

"The resident district has no auto mechanics, welding, aviation, slow learning English classes"

"The new district has a larger school with more learning disabled facilities and teachers"

"We have a business in the nonresident school district where both my husband and I work. It's much easier for transportation."

"My son has been attending the nonresident district for 4 years. He is Black, and this option was open to us. We were very displeased with the resident school system. An older son graduated from the resident high school. We are very satisfied with the nonresident schools. We see a vast difference in quality of education."

Ten years ago, East Harlem (District # 4 in New York City) developed a system of choice among its public junior high and middle schools. At that time only 16% of its students read at or above grade level, and its students ranked 32nd in math among the 32 community districts in New York City. Today, over half of the students read at or above grade level, and the district ranks 15th or 16th (depending on the test) among the community districts.

A veteran teacher explained, "People are here because they want to be. And that's shown by the kind of attendance we have. There's a camaraderie, because this place doesn't have to exist...if it didn't meet needs, it would fold...My idea of education at its best is that people who work in it would have the power to do what they thought was good, and that they would feel happy about themselves when they left at the end of the day."

Sy Fliegel, District No. 4's Deputy Superintendent, characterizes their system of choice as nothing more or less than a simple old capitalistic idea. "What you own, you treat better. Everyone thinks they own the school. If you ask the directors, 'Whose school is it?', they say, 'It's my school.' You ask the kids, 'It's mine.' The teachers, the parents--the same answer. Naturally you ask me, I say, 'Well, it's our school.' Right? That's good, that's what schools need, that sense of ownership. Because you just take better care of things you own."

o What educational programs do schools of choice offer?

Schools typically are tailored around special student interests and needs as are better-planned magnet schools. Parents in Cambridge, Massachusetts can choose any elementary school for their children. Examples of individual schools' emphases include:

--The Fitzgerald School: A writing-across-the-curriculum project leading to the development of a creative writing program since shared by the staff with other elementary schools in the district.

--The Fletcher School: A Coordinated Learning Project that has given the school, traditionally in the lowest quartile of student achievement, additional instructional aids in primary classes and consultants to help primary teachers identify and use successful learning strategies.

--The Haggerty School: Conversational Spanish for all students and staff; a focus on computer literacy. Traditionally the smallest school in the system (in 1984 it had fewer than 100 students), it has grown by 30 per cent since 1985.

--The Robert F. Kennedy School: An Arts and Basic Skills program in collaboration with the Cambridge Multicultural Arts Center and funded by the Massachusetts Cultural Alliance; Project RICH, computer assisted instruction to increase upper elementary reading, with Draper Laboratories, Bager Corporation, and M.I.T.

o How do you get around transportation costs?

Support of student transportation costs may be handled in a number of ways. Minnesota's Enrollment Options Program provides free transportation to low-income students but makes the families of other students responsible for getting their students to the borders of the non-resident district their students plan to attend.

o Won't schools of choice exacerbate racial imbalance and contribute to creaming the best students from the "regular" public schools?

Schools of choice can be an effective desegregation tool as documented in Christine Rossell's research, The Carrot or the Stick, and in numerous sites.

o In Providence, RI two magnet elementary schools, Sackett Street School for Basic Skills and Science and Technology, and the Gilbert Stuart Elementary School for International Studies, have had a stabilizing influence on non-minority students, whose numbers had been dwindling at the schools. According to Robert Brooks, Director of Magnet Schools, "Without the magnet programs, erosion of the non-minority student population in the public schools would be experienced."

o The Magnet "School of Choice" System in Prince George's County (MD) has not only satisfied court-ordered desegregation standards but has attracted some 4,000 private school students

back to public education since 1984. By contrast, the mass busing program of the 1970's resulted in massive white flight; by 1981 the schools were back to 90 to 95 percent white or black.

- o In Cambridge (MA) the proportion of students choosing to enroll in public schools over private schools rose from 74 to 82 percent after two years of its open enrollment option.

The contention that specialty schools will cream the best students implies that neighborhood schools can't compete with special magnet schools. In fact, the creation of specialty schools and choice can result in higher district performance overall. East Harlem's experience led to a general increase in achievement test performance which school staff directly attributed to the competition for students provided by alternative educational programs. Schools that aren't good will have to improve, and the quality of schooling will improve for all students.

- o Isn't this just a backdoor way to achieve education vouchers?

No, it's a way to improve education. John Murphy, Superintendent of the Prince George's County Schools, (MD) sees schools of choice as a way to put his district in the top academic quartile (25 percent) in the country by 1990. "We want to prove that black children can compete--and that's going to take more than just a few school reforms, it's going to take a systemwide revolution. Schools of choice are the process by which this can happen."

- o How is the Department supporting choice?

The Department is planning to co-sponsor with the Minnesota Department of Education an evaluation of Minnesota's Enrollment Options Program. The Department also supports 38 magnet schools under the \$71.8 million Magnet Schools Assistance Program. The Administration has proposed extending the benefits of choice to districts not under court-ordered desegregation plans.

- o Will choice lead to closing schools that are unable to attract students?

Possibly, but what is the point of subjecting students to substandard education? Sy Fliegel of East Harlem frames the issue in terms of rewarding success, "If you go into business and fail--so long. Nobody's going to say, 'Oh you're failing? Here's some more money.' It doesn't work that way anywhere else, so somewhere along the line the government has to say, 'Let's support what works and stop supporting what fails.' I think we ought to close failing schools and let them open up as new and

different schools. Let's fund places that succeed. That makes sense to me."

Moreover, choice may not result in actual school closings. More likely its effects will be to remove administrators and teachers in those schools that lose students and replace them with effective principals and instructional staff.

OPBE/PES  
5/17/89

**Q. How bad is the dropout problem? What can the nation do?**

- A. Between 1972 and 1986, the nation has made substantial progress in reducing the dropout rate, particularly for minority youth. Dropout rates for 20- to 21-year-olds have fallen 9.6 percentage points for blacks (from 27.7 to 18.1 percent); and 7.2 points for Hispanics (from 42.1 to 34.9 percent). The 1986 dropout rate for whites was 14.3 percent. In spite of this progress, the dropout problem is still serious for Hispanic youth and for children in urban areas.**
- o The dropout rate for Hispanic youth remains very high. In 1986, nearly 35 percent of Hispanic 20- to 21-year-olds had dropped out. This rate is more than twice the dropout rate for white 20- to 21-year-olds.**
  - o By the year 2020, more than one-fourth of the school-age population will be Hispanic. If the nation does not address this problem now, the dropout rate is sure to rise.**
  - o Dropout rates in urban areas are much higher than the national average. The National Education Association found that dropout rates in major urban districts were as high 30 percent in Boston to 58 percent in East Los Angeles. A similar survey of urban districts by the Department found dropout rates to be 33 percent in New York City, 50 percent in Washington, D.C., 45 percent in Philadelphia, and 48 percent in St. Louis.**

Moreover we need to keep in mind that more than 600,000 students drop out of school each year. Regardless of the overall dropout level, this number is much too high.

There are many things the nation can do to address this problem. First, we must provide effective dropout prevention and recovery programs in every school district. Recent research on effective dropout prevention programs has identified the following common components:

- early intervention
- small programs and classes
- emphasis on basic skills
- regular encouragement and feedback
- providing adult mentors
- career counseling.

Districts need to incorporate these components into their dropout prevention programs.

In addition, we must encourage and reward excellence, particularly in schools with high proportions of disadvantaged

students. The President has put forward a legislative proposal, the Educational Excellence Act of 1989, that includes a Merit Schools Program to provide incentives to schools across the country, particularly those with high proportions of disadvantaged students, to improve their performance. Reducing the dropout rate should be considered a critical outcome measure to gauge performance.

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/13/89 ACTION/CONCURRENCE/COMMENT DUE BY: 9/13/89 4:00 PM

SUBJECT: ANTICIPATED QS AND AS, MIDWESTERN PRESS BRIEFING

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Thursday, September 14, with a copy to my office. Thank you.

RESPONSE: September 14, 1989

NSC concurs with fixes and suggestions, as marked.

*B. Scowcroft*  
Brent Scowcroft

**James W. Cicconi**  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

89 SEP 14 P 1: 43

ANTICIPATED QUESTIONS AND ANSWERS  
MIDWESTERN PRESS BRIEFING  
FRIDAY, SEPTEMBER 15, 1989

89 SEP 14 P12:55

DRUG STRATEGY

Many previous Administrations have launched anti-drug campaigns. Why do you think this particular Strategy will work?

Unlike past anti-drug efforts, this strategy will work because it is a truly **coordinated national effort**. This means federal, state and local levels must work together. In fact, at the federal level, Director Bennett's leadership has already brought about strong interagency cooperation. We're urging the state and local levels to follow this lead, and join us in this coordinated strategy.

If you could name the one distinguishing strength of this Strategy above all others, what would it be?

The Strategy's biggest strength is this: it is **comprehensive**. This is the first such national strategy designed to end drug use and drug trafficking, a fully integrated approach that is an assault on every front. Our plan addresses all the elements necessary to an effective strategy: school and drug prevention programs, our treatment system, our laws and criminal justice system, and our foreign policy. In short, it is just as comprehensive as the problem. With this strategy, we now have a plan that coordinates our resources, our programs and the people who run them.

**Exactly what will your Strategy mean for my community?**

Keep in mind that this is a **national, not a federal strategy**. And while Washington cannot solve this problem alone, Washington will have a role to play. For example, in communities across the country, we will work through HUD to kick drug dealers out of public housing, and the Department of Education will spearhead the Drug Free Schools and Communities program. As far as actual dollars are concerned, we'll be increasing Federal support of local treatment programs by \$321 million, increasing assistance to State and local law enforcement by \$200 million, and expanding education and prevention programs in local schools and communities by \$233 million.

Communities, too, have just as big a role to play. The Administration is urging State and local governments to enact tougher laws, and increase their funding of local anti-drug efforts. And most importantly of all, increased community involvement is key. We are calling on every school, college, university, and workplace to adopt tough, fair anti-drug policies.

**How are you going to pay for everything you've proposed?**

**Realistically, don't you think we're going to have to raise taxes?**

No, I don't think we have to raise taxes. If we can formulate a strategy that works without raising taxes, why not give it a try? The American people simply do not want higher

taxes, and said so during the last Presidential election. I heard Bill Bennett put it this way the other day: Low taxes did not cause the drug problem, and high taxes are not going to solve it.

The Director of the Office of Management and Budget has transmitted a letter to the Appropriations Committee recommending funding levels and areas where money can be offset. The Congress helped formulate this Strategy, and I am looking to the Congressional leadership for bipartisan support in its funding and implementation.

**Do you really think the money is enough?**

There isn't enough money in the Treasury to pay for everything everyone would like to do. However, this proposal -- at nearly \$8 billion -- is the single largest drug budget increase ever.

But as I said in my national address, those who judge our strategy only by its price tag simply don't understand the problem. We all know that money alone won't solve our problems -- so we're looking at a coordinated national strategy that unites the American people at the grassroots level in this difficult fight.

People in my community believe that we could solve the drug problem if people just stopped buying drugs. Why spend large

*INSERT: Additional Q & A on Drug Strategy (attached)*

ADDITIONAL Q & A ON DRUG STRATEGY

Q. Are you going to send U.S. troops to fight the drug lords?

A. Let me explain my policy on the role of U.S. military forces in assisting countries fighting drug cartels. First of all, none of these countries has asked for U.S. troops, and there is no contemplation of the use of U.S. Armed Forces personnel in any combat role in the Andean countries. What the countries did ask for -- and what we are prepared to provide -- is training for their police and military personnel, equipment, and operational support. No U.S. military personnel will accompany host-government forces on actual field operations. U.S. personnel in these countries will provide training on U.S.-provided equipment and on the tactics related to the employment of that equipment; they will also provide logistical support.

**sums on police and interdiction when we could just stop the problem through prevention and treatment plans?**

We need to deal with both the supply and demand side of the equation. It is harder for users to stop while drugs are easily available. We must attempt to reduce the supply because fewer people will be able to use drugs when drugs are less available. Good law enforcement deters demand. By making it harder to obtain drugs, we increase the effectiveness of prevention programs.

Second, when users seeking help can't physically get to a treatment program because dealers are on the streets and in the hallways intimidating them, then enforcement is the first step to treatment. For both these reasons, we are stepping up our enforcement and interdiction measures.

#### AGRICULTURE AND TRADE

**How big a role do you envision for agriculture in correcting the trade imbalance?**

Agriculture is a major player in the U.S. economy because it accounts for 16 percent of the U.S. GNP. Agriculture does its part in reducing the trade deficit by providing a constant positive trade balance. Ag exports over last \_\_\_\_\_ years up \_\_\_\_\_%.

**What do you think are the most important issues in agriculture are facing the Administration now?**

1990 Farm Bill, the Uruguay Round of trade negotiations, food safety, and environmental issues all are important. The next four years at the Department will probably be the busiest in its history. In the next 15 months, for example, Secretary Yeutter and his team will negotiate with Congress on the Farm Bill, <sup>negotiate</sup> ~~(attend talks)~~ with the 96 GATT ~~members~~ on new rules of the road for international agriculture trade, and then have to modify the farm legislation to make it consistent with the ~~(ending)~~ results of the GATT talks. ✓

In fact, my Trade Representative, Carla Hills, has been in Europe this week with a simple -- and urgent -- message. We need ambitious results in these trade talks. For too long, we have only reacted to changes in global trade. The Uruguay Round is this century's last, best change to act. (The final session of the Uruguay Round has been set for the first week in December of 1990.)

**What is the status of the extension of the steel VRAs and the negotiation of the international consensus on the elimination of unfair trade practices?**

We have had several rounds of negotiations with each of our major steel trading partners on the extension of the steel VRAs. I expect these negotiations to intensify in the next two weeks.

It is our expectation that we will conclude new steel agreements with these countries by September 30.

I am equally optimistic about the success of the international consensus on the elimination of unfair trade practices in the steel sector. The negotiation of such a consensus is critical. We must get to the root cause of the steel problem -- pervasive unfair trade and closed markets -- if we are to have a long-term solution for steel. Based on the results of our discussions with our trading partners to date, I can tell you that many of them share our concerns. I believe we can work together to address unfair trade in this sector in a positive way.

Is the U.S. already extending the economic assistance to Poland and Hungary that you announced in Warsaw and Budapest, and are we doing anything more now that a Solidarity government has been installed in Poland?

Yes, we are moving quickly ahead on all the announced programs. <sup>Yesterday, we announced an additional \$50 million in food assistance.</sup> Secretary Mosbacher will be talking with the Polish and Hungarian governments about <sup>private investment and next steps</sup> ~~our steps~~ when he visits Budapest and Warsaw September 17 - 20. Secretary Mosbacher is taking a group of distinguished American businessmen with him to each country to intensify the pace of private sector involvement in these countries. We have already met with other Western countries to coordinate assistance, and additional <sup>measures are</sup> ~~food aid is~~ <sup>being developed.</sup> ~~already on its way to Poland.~~ <sup>will shortly be</sup>

The Administration has sent a request to Congress for legislation to establish Enterprise Funds for Poland and Hungary, and to give us authority to extend OPIC, GSP, environmental and labor programs. The Congress has promised quick consideration.

**What is the current status of our trade relationship with Japan?**

As you know, I recently had the pleasure of meeting with the new Prime Minister <sup>Mr. Kaifu,</sup> on his first visit to Washington <sup>earlier this month.</sup> Trade was an important part of our agenda. A substantial increase in Japan's imports, especially of manufactured goods, is a key element in clearing up our trade problems. The Japanese government has pledged to make Japan an importing "superpower." I told the Prime Minister I supported this pledge. I urged that prompt and effective measures be taken to make that goal a reality.

And in order to reduce our bilateral trade deficit, we have launched new initiatives to increase market access in Japan for U.S. exports of satellites, supercomputers and wood products, and have engaged the Japanese Government in talks aimed at a mutual elimination of structural barriers to trade and payments adjustments.

Japan is already our major market for agricultural products and a key consumer of many semi-processed exports. Our goal is to greatly increase sales of U.S. manufactured goods in Japan, in addition to these more traditional sales. We seek to increase U.S. exports to Japan, not restrict Japanese sales here.

Last week, an extensive exchange with the Japanese was held in the U.S.-Japan Trade Committee to address these and other market access problems.

**What will EC 1992 mean for U.S. business and U.S. exporters, and what is the Administration doing to help U.S. business adjust to EC 1992?**

The EC will not be a fragmented market consisting of 12 countries anymore. Although their Governments will remain separate, the EC will become a "single internal" market of 320 million people worth over \$4 trillion.

The EC 1992 program should benefit U.S. business, as long as the EC internal market is completed in an open manner. For example, EC 1992 will mean harmonization of industrial standards and the opening of markets in traditionally state-dominated fields such as telecommunications and broadcasting. These should benefit U.S. exporters.

Our sole concern is that when trade barriers are lowered within Europe, new barriers are not raised between Europe and the rest of the world. Our aspiration -- and expectation -- is that in removing internal barriers, EC 1992 will not result in higher external barriers to the rest of the world. My Administration is making every effort to work with the Europeans to ensure this outcome.

The Commerce Department has negotiated or helped negotiate important agreements with the EC on both industrial standards and financial services. The Commerce Department has also set up an office to inform businesses of key developments on the EC 1992 program, helping businesses take advantage of the market opportunities.

### EDUCATION

What is realistically going to be the result of the Education Summit? What do you hope to accomplish?

If we examine what has happened across the country since the report "A Nation At Risk", was issued we know that although a number of states adopted comprehensive reforms, many others did not. It is also true that elements of long-lasting reform, such as providing more parental choice in schools for their children, are not yet pervasive in America. It is clear that we need a mechanism for obtaining a national consensus on what must be done across the entire country to improve education. Building that national consensus begins with collectively determining what our national aspirations are and how we are going to assure that we achieve them. Sitting down with the governors begins that process.

**Why are education leaders being excluded from the Education Summit?**

They are not. The summit process begins with a number of small-group meetings I will be holding with education leaders prior to the Charlottesville meeting. In fact, one was held this week. These meetings give them the opportunity to discuss their concerns and advise me on what avenues we should pursue at the summit. The conference itself is just that -- a summit meeting of all of the chief executives in the nation with the President of the United States.

Only Governors will attend for two reasons. First, the fact that on two prior occasions of great national importance the President met with the governors as a group (Teddy Roosevelt on conservation and Franklin Roosevelt on matters related to the Great Depression) lends an important level of symbolic significance to the meeting by placing our education crisis on a very visible plane. Second, while the federal government has a significant role to play in helping solve our educational problems, governors must lead the way -- education is, after all, a state responsibility and maintaining that focus, along with a bipartisan political orientation, is extremely important.

**What topics are going to be discussed?**

Revitalizing the teaching profession; improving learning among students; the responsibilities and authority of various levels of government; restructuring education and providing more

choice; achieving a competitive workforce and providing for lifelong learning in our society; and issues related to postsecondary education.

**What is the role of the Secretary of Education in the Education Summit? Is he being left out of the planning process? Will he be at your side during the Summit?**

The Secretary of Education has been intimately involved in the planning of the summit and will play a significant role in its program.

**Will you be making a major announcement at the Education Summit?**

I will deliver a major address as part of the summit.

# # #