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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name WHITE HOUSE OFFICE OF RECORDS MANAGEMENT
(WHORM): SUBJECT FILE

Withdrawer
DLB 4/24/2020

File Folder FO006-13 (583655) (7 OF 12)

FOIA
F16-011

Box Number FO006-48

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182

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
244873	REPORT	DUPLICATE OF #244855	2	5/25/1988	B1
244874	PAPER	BACKGROUND PAPER MEETING WITH JAPANESE PRIME MINISTER NOBORU TAKESHITA JUNE 20, 1988	1	ND	B1
244875	PAPER	POINTS TO BE MADE MEETING WITH PRIME MINISTER TAKESHITA JUNE 20, 1988	1	ND	B1
244876	REPORT	DUPLPLICATE OF #244848	2	5/23/1988	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

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FRANCE

BACKGROUND PAPER
MEETING WITH FRENCH PRESIDENT FRANCOIS MITTERRAND
SUNDAY, JUNE 19

POLITICAL OVERVIEW

- Mitterrand will be in an expansive mood following his impressive reelection victory. However, his sails were trimmed somewhat when his Socialist Party failed to gain an absolute majority in the Parliamentary Elections last Sunday. It is uncertain whether Mitterrand will attempt to govern in a coalition with the center-right, as he has for the past two years of "Cohabitation," or turn once again to cooperation with the Communist Party (as he did in 1981).
- The President will be interested in hearing your assessment tonight of your Moscow Summit. You may wish to provide him here with your major impressions. You should also tell Mitterrand that the hard-headed, realistic approach to East-West relations that he and you have advocated has paid dividends. Given your close consultations on dealing with Moscow you might want to ask Mitterrand what his feelings are regarding next steps toward the Soviets.

HOSTAGES

- You wrote to Mitterrand expressing our concerns with PM Chirac's reported deal with Iran to gain the release of French hostages. Mitterrand was not part of that agreement and we feel he could still walk away from some of the most troublesome aspects of the deal as best we understand it. While France has resumed diplomatic relations with Iran and agreed to repay a loan, it has not yet lifted the oil embargo or agreed to sell arms to Iran.

ECONOMIC ISSUES

- Mitterrand wrote to you and the other Summit partners with an ambitious plan to deal with the debt burden of the poorest countries (mainly sub-Saharan Africa). It is consistent with Secretary Baker's recent speech indicating U.S. willingness to stretch out repayment periods in the Paris Club. We cannot forgive debt as Mitterrand says France will.
- France remains a strong supporter of GATT and general coordination on economic issues, but they will resist any agreement to extend cooperation on global economic coordination. Mitterrand will not be supportive of your plan to eliminate agriculture subsidies.

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BY dh 3/16/2020

-- You invited Mitterrand to come to the United States soon for a State visit, but we have not received a formal reply. Mitterrand may indicate that he would like to come to see you this Fall for an informal working visit.

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POINTS TO BE MADE
MEETING WITH FRENCH PRESIDENT MITTERRAND
SUNDAY, JUNE 19

FRENCH POLITICAL SITUATION

-- CONGRATULATIONS ON YOUR IMPRESSIVE REELECTION VICTORY. YOU CERTAINLY HAVE THE CONFIDENCE OF THE FRENCH PEOPLE. WHAT WILL BE YOUR TOP PRIORITIES FOR YOUR SECOND TERM?

EAST-WEST RELATIONS

-- TONIGHT I PLAN TO TALK ABOUT MY RECENT MEETINGS WITH GENERAL SECRETARY GORBACHEV. WE HAVE MADE SOME PROGRESS IN ALL AREAS OF OUR AGENDA.

-- WE WILL CONTINUE TO WORK ON A STRATEGIC ARMS AGREEMENT -- BUT WE DO NOT FEEL PRESSURED BY TIME, AND WILL NOT SIGN AN UNSATISFACTORY AGREEMENT.

-- FRANCOIS, I ADMIRE YOUR HARD-HEADED ASSESSMENT OF GORBACHEV. I BELIEVE YOU AND I SHARE A COMMON APPROACH TO EAST-WEST RELATIONS -- ONE BASED FIRMLY ON REALISM. I WOULD BE INTERESTED IN HEARING YOUR VIEWS ON WHERE YOU THINK WE CAN MAKE PROGRESS WITH THE SOVIETS.

TERRORISM/RELATIONS WITH IRAN

-- YOU ARE, OF COURSE, AWARE FROM MY LETTER OF OUR CONCERNS ABOUT ANY APPEARANCE OF REWARDING HOSTAGE-TAKING. WE ARE SPECIFICALLY CONCERNED ABOUT LIFTING THE OIL EMBARGO, SELLING ARMS, OR RELEASING THOSE CONVICTED OF TERRORIST ACTS. IRAN REMAINS A SPONSOR OF TERRORISM. AT THIS SUMMIT, WE SHOULD AGAIN ISSUE A STRONG STATEMENT AGAINST TERRORISM.

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Authority: State/NSA Review
BY: *ch* DATE: 3/16/2020

SUMMIT ISSUES

-- WE BELIEVE THE SITUATION IN AGRICULTURE IS SERIOUS. WE ALL WOULD BENEFIT FROM FUNDAMENTAL, MARKET-ORIENTED REFORM AND ELIMINATION OF SUBSIDIES. WE MUST INSTRUCT MINISTERS TO REACH A FRAMEWORK AGREEMENT AT THE GATT MEETING IN DECEMBER.

MITTERRAND DEBT PROPOSAL

-- APPRECIATED GETTING YOUR LETTER ON DEBT. AGREE WE MUST DO MORE TO HELP POOREST COUNTRIES. I SUPPORT MENU APPROACH TO HANDLING PARIS CLUB DEBT RESCHEDULINGS. I BELIEVE YOUR PROPOSAL AND WHAT SECRETARY BAKER SKETCHED OUT RECENTLY ARE COMPATIBLE.

-- (IF NEXT YEAR'S SUMMIT RAISED.) IF ECONOMIC SUMMITS ARE TO CONTINUE, WE MUST DEMONSTRATE TO THE WORLD THAT THEY ARE PRODUCTIVE. I WILL RECOMMEND TO MY SUCCESSOR THAT WE CONTINUE THE SUMMIT PROCESS.

POSSIBLE VISIT

-- I HOPE YOU WILL BE ABLE TO ACCEPT OUR INVITATION TO COME TO WASHINGTON SOON.

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PARTICIPANTS LIST
MEETING WITH PRESIDENT MITTERRAND
TORONTO, JUNE 19, 1988

U.S.

The President
Secretary of State George P. Shultz
Secretary of the Treasury James A. Baker III
Deputy Chief of Staff Kenneth Duberstein
Assistant to the President for National Security Affairs
Colin L. Powell
Assistant Secretary of State Rozanne L. Ridgway
Tyrus Cobb, NSC (notetaker)

France

President Francois Mitterrand
Foreign Minister Roland Dumas
Finance Minister Pierre Beregovoy
Special Counselor to the President Jacques Attali
Chief of Staff to the President Jean Pierre Bianco
Elysee Foreign Policy Advisor Hubert Vedrine
MFA Political Director Jean Francois Noiville
Notetaker
Interpreter

JAPAN

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244875	PAPER POINTS TO BE MADE MEETING WITH PRIME MINISTER TAKESHITA JUNE 20, 1988	1	ND	B1

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PARTICIPANTS LIST
MEETING WITH PRIME MINISTER TAKESHITA
TORONTO, JUNE 20, 1988

U.S.

The President
Secretary of State George P. Shultz
Secretary of the Treasury James A. Baker III
Deputy Chief of Staff Kenneth Duberstein
Assistant to the President for National Security Affairs
Colin L. Powell
Assistant to the President for Press Relations Max Marlin
Fitzwater
Under Secretary of State Allen Wallis
Assistant Secretary of State for East Asian and Pacific Affairs
Gaston J. Sigur
Special Assistant to the President James A. Kelly (notetaker)
Interpreter Cornelius Iida

Japan

Prime Minister Noboru Takeshita
Minister of Foreign Affairs Sosuke Uno
Minister of Finance Kiichi Miyazawa
Minister of International Trade and Industry Hajime Tamura
Ambassador the United States Nobuo Matsunaga
Deputy Chief Cabinet Secretary Ichiro Ozawa
Deputy Minister of Foreign Affairs Hiroshi Kitamura
Executive Assistant to the Prime Minister Terusuke Terada
Deputy Director General Tetsuo Arima (notetaker)
Interpreter Shinichi Nishimiya

V. SUMMIT ISSUES
AND POINTS TO BE MADE

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ECONOMIC ISSUES
BACKGROUND PAPERS/POINTS TO BE MADE

1. ASSESSMENT OF THE U.S. ECONOMY
2. MACROECONOMIC POLICY COORDINATION, STRUCTURAL ISSUES, AND THE INTERNATIONAL MONETARY SYSTEM
3. AGRICULTURE
4. INTERNATIONAL DEBT ISSUES
5. URUGUAY ROUND AND INTERNATIONAL TRADE ISSUES
6. NEWLY INDUSTRIALIZED ECONOMIES (NIEs)
7. SHARED RESPONSIBILITY FOR MUTUAL SECURITY
8. NARCOTICS
9. EAST-WEST ECONOMIC RELATIONS
10. ENVIRONMENT
11. EDUCATION

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BACKGROUND PAPER
ASSESSMENT OF THE U.S. ECONOMY

Position

- In 1987, the U.S. economy grew strongly with low inflation, while making adjustments necessary to correct our trade imbalance. Currently we are in the 67th month of the longest U.S. peacetime expansion. The prospects are good for continued healthy growth, low inflation, and further correction of our trade imbalance.

Watch Out For

- Arguments that low levels of unemployment, high capacity utilization rates, and strong economic growth are re-igniting inflation. The worry that October's stock market crash will precipitate a recession has all but evaporated.
- Arguments that continued high trade deficits in recent months indicate we are not making adequate progress on correcting our trade imbalances. Others may claim that tightened policies are necessary.

(Points to be made follow at next page.)

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POINTS TO BE MADE
ASSESSMENT OF THE U.S. ECONOMY

- THE RISK OF A RECESSION FOLLOWING LAST OCTOBER'S STOCK MARKET CRASH HAS FADED. THE ECONOMY IS DOING WELL. THE INDEX OF LEADING INDICATORS HAS STRENGTHENED; CONSUMER CONFIDENCE HAS RECOVERED, AND BUSINESS INVESTMENT PLANS AND EXPENDITURES ARE RISING. REAL GNP GREW AT AN ANNUAL RATE OF 3.9 PERCENT IN THE FIRST QUARTER OF 1988. EXPORT GROWTH WAS VERY STRONG.
- INDICATIONS ARE THAT ECONOMIC GROWTH WILL BE MORE MODERATE FOR THE REST OF THE YEAR, CONSISTENT WITH MY ADMINISTRATION'S FORECAST OF 2.4 PERCENT GROWTH. THE CIVILIAN UNEMPLOYMENT RATE ROSE TO 5.6 PERCENT IN MAY.
- INFLATION REMAINS IN CHECK. THE CPI ROSE ONLY 3.9 PERCENT IN THE YEAR TO APRIL. CAPACITY UTILIZATION, WHILE HIGH IN SOME BASIC INDUSTRIES, REMAINS GENERALLY WELL BELOW ITS 1978-80 PEAK. HAVING COME THIS FAR SINCE 1980, WE WILL NOT LET INFLATION GET OUT OF HAND AGAIN.
- IT'S CLEAR THAT OUR TRADE BALANCE IS IMPROVING. THE DEFICIT FELL SHARPLY IN MARCH. THE FIRST QUARTER TRADE DEFICIT WAS DOWN \$5.2 BILLION FROM THE FOURTH QUARTER OF 1987. IMPORTS GREW ONLY 1 PERCENT. WE EXPECT FURTHER NARROWING.
- BUDGET DEFICIT IS COMING DOWN. DEFICIT NARROWED BY 2% LAST YEAR. BUDGET SUMMIT WITH CONGRESS SET HISTORIC 2 YEAR AGREEMENT ON \$76 BILLION IN BUDGET CUTS. AS RESULT, U.S. BUDGET DEFICIT NOW BELOW OECD AVERAGE.

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3/16/2000

BACKGROUND PAPER
MACROECONOMIC POLICY COORDINATION, STRUCTURAL ISSUES,
AND THE INTERNATIONAL MONETARY SYSTEM

Your Objectives

- A major accomplishment of recent Summits has been the creation of a process for coordinating economic policies and performance among the major industrial countries. We want a strong Summit endorsement of the process and a reaffirmation of the agreed economic and exchange rate policies that are producing improved global growth, a reduction of trade imbalances, and greater exchange rate stability.

- In addition, we will be seeking Summit agreement to strengthen the coordination process by:
 - o endorsing the decision of the G-7 to develop and implement an indicator of commodity price changes, including gold, as an additional analytical instrument for assessing global inflation trends; and

 - o inviting the G-7 to:
 - consider actions to remove structural impediments to growth and to report progress to the next Summit; and

 - consider other means of strengthening the economic policy coordination process.

Watch Out For

- Arguments (especially by the French) that a comprehensive reform of the international monetary system is needed.

- Pressure on the United States to commit to additional measures to forestall a further decline of the dollar, including higher interest rates and issuance of U.S. Government bonds denominated in foreign currencies.

(Points to be made follow at next page.)

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AUTHORITY: NBC/State Waivers
BY: db NWD/DATE 3/16/2020

POINTS TO BE MADE
MACROECONOMIC POLICY COORDINATION, STRUCTURAL ISSUES,
AND THE INTERNATIONAL MONETARY SYSTEM

- WE HAVE MADE REAL PROGRESS IN DEVELOPING AND IMPLEMENTING THE ECONOMIC POLICY COORDINATION PROCESS SET UP AT THE TORONTO SUMMIT AND STRENGTHENED AT VENICE.
- o THE RESPONSE BY OUR COUNTRIES IMMEDIATELY FOLLOWING THE OCTOBER STOCK MARKET CRASH DEMONSTRATES THE FLEXIBILITY AND EFFECTIVENESS OF OUR COORDINATION ARRANGEMENTS.
 - o THE OUTLOOK FOR THE WORLD ECONOMY AT THIS SUMMIT IS MORE FAVORABLE THAN AT ANY TIME IN THE PAST 7 YEARS.
 - o GROWTH IS CONTINUING WITH LOW INFLATION, TRADE IMBALANCES ARE DECLINING, AND FOREIGN EXCHANGE MARKETS ARE MORE STABLE.
- WE CANNOT BECOME COMPLACENT, HOWEVER, AND REST ON OUR LAURELS. STRUCTURAL RIGIDITIES AND BARRIERS IN OUR ECONOMIES ARE A SERIOUS IMPEDIMENT TO OUR GROWTH PROSPECTS AND UNDERMINE THE EFFECTIVENESS OF OUR ECONOMIC POLICIES.
- o WE NEED TO PROMOTE STRUCTURAL REFORMS THROUGH COOPERATIVE ACTIONS THAT WILL INCREASE THE MARKET ORIENTATION OF OUR ECONOMIES.
 - o THIS INCLUDES SUCH POLICIES AS TAX REFORM, DEREGULATION OF INDUSTRY, ELIMINATION OF AGRICULTURAL SUBSIDIES, AND REMOVAL OF BARRIERS TO LABOR MOBILITY.
 - o THE G-7 SHOULD MONITOR AND COORDINATE OUR STRUCTURAL REFORM EFFORTS AS PART OF THE ECONOMIC POLICY COORDINATION PROCESS.

- THE CONTINUED STEP-BY-STEP EFFORT TO STRENGTHEN THE COORDINATION PROCESS IS THE MOST EFFECTIVE MEANS OF IMPROVING AND REFORMING THE INTERNATIONAL MONETARY SYSTEM.
 - o THE ADOPTION OF THE COMMODITY PRICE INDICATOR IS A WELCOME ADDITION TO THE COORDINATION PROCESS AND SHOULD IMPROVE THE ANALYSIS OF GLOBAL ECONOMIC DEVELOPMENTS.
 - o A COMPREHENSIVE REEXAMINATION OF OUR INTERNATIONAL MONETARY ARRANGEMENT, HOWEVER, IS NEITHER NECESSARY NOR DESIRABLE. SUCH A BROAD REVIEW COULD FOSTER RENEWED CURRENCY INSTABILITY BY:
 - CREATING UNWARRANTED MARKET EXPECTATIONS AND UNCERTAINTY;
 - DEFLECTING ATTENTION FROM THE ECONOMIC FUNDAMENTALS; AND
 - UNDERMINING CONFIDENCE IN THE COORDINATION PROCESS.

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BACKGROUND PAPER
AGRICULTURE

Your Objective

- Summit agreement that, at the Mid-Term Review of the Uruguay Round trade negotiations, scheduled for December 5, a framework agreement will be reached that commits to a fundamental, market-oriented reform of world agriculture.

Watch Out For

- Resistance from Japan and the Europeans to making commitments on fundamental, market-oriented policy reform; both are reluctant to abandon government intervention.
- Pressure by the Europeans for recognition of recent changes in their farm policies. These changes help limit growth in the EC budget, but do not help move toward a more market-oriented policy.
- Efforts by the Europeans and Canadians to focus commitments on short-term actions or formulas to improve the international market situation. The Canadians refer to this approach as a "down payment" on further (unspecific) reforms.
- Criticism of recent U.S. actions, especially (1) relaxation of the Acreage Reduction Program, and (2) Export Enhancement Program (export subsidies).

(Points to be made follow at next page.)

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Authority: NSC/State Waiver
BY: chr PARSONS 3/16/2020

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POINTS TO BE MADE
AGRICULTURE

- WE URGENTLY NEED FUNDAMENTAL, MARKET-ORIENTED REFORM OF AGRICULTURAL POLICIES. WE HAVE AGREED TO THIS NEED FOR REFORM AT PREVIOUS SUMMITS.
- THIS SUMMIT SHOULD THEREFORE DECLARE THAT, BY THE TIME OF THE URUGUAY ROUND MID-TERM REVIEW IN DECEMBER, WE SHOULD HAVE A FRAMEWORK AGREEMENT THAT ESTABLISHES COMMITMENTS FOR FUNDAMENTAL, MARKET-ORIENTED REFORM OF WORLD AGRICULTURE.
- MY SECRETARY OF AGRICULTURE, DICK LYNG, IS FOND OF SAYING THAT "IF THE PRICE OF EGGS GOES HIGH ENOUGH, EVEN ROOSTERS WILL LAY EGGS." GOVERNMENT POLICIES ARE ENCOURAGING ROOSTERS OF ALL KINDS IN ALL OUR COUNTRIES. WE NEED TO STOP.
- WE MUST BE WARY OF SHORT-TERM ACTIONS THAT ATTEMPT TO REMEDY THE CURRENT MARKET SITUATION WITHOUT ROOTING OUT THE BASIC PROBLEM: EXCESSIVE GOVERNMENT INTERVENTION.
- THE UNITED STATES STANDS READY TO MOVE QUICKLY ON FUNDAMENTAL POLICY REFORM, BUT WE MUST ALL ACT TOGETHER. FAILURE TO ACT NOW WILL RESULT IN INCREASED TRADE DISPUTES AND HEIGHTENED POLITICAL TENSIONS AMONG THE INDUSTRIALIZED COUNTRIES WITH CONTINUED HARM TO THE DEVELOPING WORLD.
- THERE IS BIPARTISAN SUPPORT IN THE UNITED STATES FOR INTERNATIONAL FARM POLICY REFORM. HOWEVER, CONGRESS, WHEN IT BEGINS CONSIDERATION OF 1990 FARM LEGISLATION, WILL PAY CLOSE ATTENTION TO PROGRESS IN THE URUGUAY ROUND.

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Authority: nsc/state waivers
du 3/16/2020

-- (IF RAISED) THE IDEA OF A "DOWN PAYMENT" IS APPEALING, BUT TOWARD WHAT END? YOU WOULDN'T PUT A DOWN PAYMENT ON A HOUSE IF YOU HAVEN'T AGREED TO A PURCHASE PRICE OR THE COST OR TERM OF THE MORTGAGE.

-- (IF RAISED) THE REDUCTION IN OUR ACREAGE REDUCTION PROGRAM FROM 27.5 PERCENT TO 10 PERCENT WAS A RESPONSIBLE DECISION BASED ON THE U.S. AND WORLD SUPPLY AND DEMAND SITUATION. OUR FARM STATES ARE FACING A DROUGHT THAT COULD BECOME THE WORST IN MORE THAN 50 YEARS. EVEN WITH THE REDUCED PROGRAM, WE ARE IDLING THE EQUIVALENT WHEAT ACREAGE IN FRANCE, SPAIN AND PORTUGAL COMBINED.

BACKGROUND PAPER
INTERNATIONAL DEBT ISSUES

Your Objectives

- Summit reaffirmation of the current case-by-case debt strategy.
- Support for further development of the "menu" of financing options in commercial bank packages.
- Strong Summit opposition to global debt forgiveness approaches that transfer risks from the private sector to the international institutions or creditor governments.
- To highlight the very positive steps underway to help the poorest countries address their debt problems through the Paris Club (of Western creditor countries) and the special economic action programs of the World Bank and IMF with bilateral donor support.

Watch Out For

- Pressure for "more flexible approaches" to debt problems, including calls for debt forgiveness (France) or World Bank guarantees on new commercial bank loans (Japan).

(Points to be made follow at next page.)

NSC/State Workers
BY: Dr. J. ADRIE 3/16/2020

POINTS TO BE MADE
INTERNATIONAL DEBT ISSUES

MIDDLE INCOME COUNTRIES

- THE CURRENT GROWTH-ORIENTED DEBT STRATEGY IS WORKING.
 - o PROGRESS IS BEING MADE IN MANY AREAS.
 - o DEBTORS ARE ADOPTING NEEDED REFORMS.
 - o GROWTH IS IMPROVING.
 - o THE BURDEN OF DEBT PAYMENTS HAS DECLINED.
 - o NEEDED FINANCING IS BEING MADE AVAILABLE. THIS INCLUDES DEVELOPMENT OF A "MENU OF OPTIONS" FOR COMMERCIAL BANKS.

- WE HAVE ALSO AGREED TO SUPPORT INCREASED CAPITAL FOR THE WORLD BANK AND NEW OR REVITALIZED FACILITIES IN THE IMF TO SUPPORT THE DEBTORS' REFORM EFFORTS.

- THE PROBLEM IS STILL SERIOUS. MORE NEEDS TO BE DONE WITHIN THE CURRENT APPROACH TO CONTINUE DEBTOR REFORM EFFORTS AND FURTHER DEVELOP COMMERCIAL BANK FINANCING OPTIONS.

- WE SHOULD REAFFIRM OUR SUPPORT FOR THE GROWTH-ORIENTED STRATEGY AS THE ONLY REALISTIC APPROACH.

- WE SHOULD ALSO STRONGLY OPPOSE PROPOSALS FOR COMPREHENSIVE SOLUTIONS WHICH HAVE THE EFFECT OF SHIFTING THE RISK OF COMMERCIAL BANK DEBT ONTO THE BACKS OF CREDITOR GOVERNMENTS AND TAXPAYERS.

THE POOREST DEBTOR COUNTRIES

- THE POOREST COUNTRIES, MAINLY IN AFRICA, ARE A SPECIAL CASE.

- LAST YEAR AT VENICE STEPS WERE TAKEN TO PROVIDE RELIEF THROUGH RESCHEDULING OF OFFICIAL DEBT IN THE PARIS CLUB.

- WE ARE PREPARED TO SUPPORT FURTHER STEPS TO PROVIDE RELIEF FOR THE POOREST SUCH AS A DIFFERENTIATED APPROACH AMONG CREDITOR COUNTRIES IN PARIS CLUB DEBT RESCHEDULINGS.
- THIS WOULD PERMIT THOSE CREDITOR GOVERNMENTS WHICH CAN DO SO TO PROVIDE CONCESSIONAL INTEREST RATES WITH SHORTER MATURITIES, WHILE OTHERS (U.S.) WOULD PROVIDE LONGER MATURITIES AT COMMERCIAL RATES.
- THE U.S. ALREADY MAKES THE STRONGEST BILATERAL CONTRIBUTION TO AFRICA. THIS YEAR, THE U.S. PROVIDED OVER \$1 BILLION (MAINLY GRANTS) IN BILATERAL ASSISTANCE.
- WE ARE ALSO THE LARGEST CONTRIBUTOR TO MULTILATERAL INSTITUTIONS ASSISTING AFRICA.
- FRANCOIS (MITTERRAND), YOUR PROPOSAL ON DEBT TO THE POOREST COUNTRIES IS CONSISTENT WITH THE APPROACH OUTLINED BY SECRETARY BAKER. WE WOULD WANT TO BE SURE TO CONTINUE THE PRESSURE FOR POLICY REFORM, HOWEVER.