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Folder ID Number: 13668-003

Folder Title:
GOP House Conference 5/16/89 [OA 6265]

Stack:	Row:	Section:	Shelf:	Position:
G	26	19	1	2

Stephanie

THE WHITE HOUSE
WASHINGTON

May 12, 1989

*U.S. - Japanese relations
are hinged on FSX agreements*

MEMORANDUM TO FRED McCLURE

FROM: NICK CALIO

SUBJECT: Talking Points for the President's Address to the
Republican Conference

-
- Thank you Jerry (Jerry Lewis, R-CA, Chairman of the Republican Conference) for that kind introduction and for inviting me to meet with you today.
 - I appreciate the opportunity to come and talk with you. We have made a conscious effort to help open lines of communication on all policy issues and, frankly, I think we've benefitted from the dialogue.
 - Since my February 9 visit to this wonderful chamber, the House Republicans have racked up an impressive set of accomplishments that have been vital to the success of my Administration.
 - And I'm here to tell you today that, based on those accomplishments, that this Administration can and will work with the House Republicans as full and equal partners with your colleagues in the Senate.
 - No longer can we just rely on the Senate to sustain a veto or put together a winning coalition. Based on your record for the first one hundred days of this Congress, if we want to win a vote or sustain a veto, I know we can count on you!
 - On the Eastern Airlines "emergency board" legislation and on Minimum Wage, the two bills where we needed you to demonstrate the strength to sustain my veto threat, you delivered the votes.

- On the budget resolution and the Contra Aid package, two bills where we had the opportunity to put together winning bipartisan coalitions, you delivered the votes.
- And on the Foley Amendment, when the Democratic leadership wanted to fund a lot of pet projects above and beyond the legitimate "dire emergency" funding we asked for in our 1989 Supplemental Appropriations bill, you did more than deliver the votes -- you blew their doors off!
- So today I stand before you not only to say thank you . . . nor only to tell you your record demonstrates that I can depend on you . . . but to ask for your continued support in the future.
- We've got some tough fights ahead.
- I'm committed to move forward with the FSX deal and we need your help. (NSC to provide additional points)
- I also need your help in getting our S&L package to the floor before Memorial Day. I know that's an ambitious goal, but the Senate's been done for over two weeks and this problem is costing the taxpayers \$20 million dollars a day, every day, that we delay this bill. The Banking Committee has spent a lot of time on this bill, all the fights were fought, it's time to get the law enacted and move on.
- So again, thank you. We appreciate your help, the cooperation of Bob Michel, Newt Gingrich, Jerry and the rest of the leadership, and look forward to working with you on all of the upcoming issues.
- Jerry, I'll take questions now.

Design Smith

4/26/89
KBK

THE WHITE HOUSE
WASHINGTON

MEMORANDUM

TO: FRED MCCLURE
FROM: JOSEPH W. HAGIN
SUBJECT: APPROVED PRESIDENTIAL ACTIVITY

EVENT: Meeting with Members of the House
Republican Conference

DATE: May 17, 1989

TIME: 10:30 a.m.

DURATION: 30 Minutes

LOCATION: TBD

ATTIRE: Business Suit

REMARKS REQUIRED: Yes

MEDIA COVERAGE: Closed

FIRST LADY
PARTICIPATION: No

ADDITIONAL
INFORMATION:

*less formal
conversational*

CONTACT: _____

TELEPHONE: OFFICE _____ HOME _____

NOTE: PROJECT OFFICER, SEE ATTACHED CHECKLIST

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|-------------------|------------------|--------------------|
| Ed Rogers | Marlin Fitzwater | David Bates |
| James Cicconi | David Demarest | David Valdez |
| Fred McClure | Jean Lamb | USSS - PPD |
| Susan Porter Rose | Steve Studdert | Gary Walters |
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| Laurie Firestone | J. Bonnie Newman | Amy Louisa Buckley |
| Robert Guttman | Tony Lopez | C. Boyden Gray |
| | | Bruce Zanca |

DD to talk to McCl.

Nick Coleo from legislative Affairs

Peter

FSX Steel from NX

Ginny Lampl 3055
why it's a good deal

Carl Jackson 6173

East Asian Pacific Desk

THE WHITE HOUSE
OFFICE OF THE PRESS SECRETARY

For Immediate Release

May 9, 1989

FACT SHEET

PRESIDENT BUSH'S CHILD CARE PRINCIPLES
AND VISIT TO THE SHILOH CHILD CARE DEVELOPMENT CENTER

This morning the President visited the Shiloh Child Development Center run by the Shiloh Baptist Church. The Center has been in existence in its current form since 1958 and the Church has been providing child care since early in this century. Currently, the Center cares for 77 children, 50 aged 2 to 4 and 27 children in an after-school setting.

The President visited the center to reiterate his support for the Working Family Child Care Assistance Act of 1989, which he sent to Congress on March 15. That legislation represents a fiscally responsible step toward meeting the President's commitment to maximize parental choice and control in child care decision making.

The President believes that church based centers like the one run by the Shiloh Baptist Church have an important role to play in meeting the nation's child care needs. The President believes that we cannot afford to discriminate against any of the various child care options available to parents: parental care, care by a neighbor or relative, sectarian child care centers or secular centers. All have a role to play in offering parents a range of options.

The President's Child Care Principles

Four basic principles underlie the President's approach to child care:

- o Parents, who are best able to make decisions about their children's care, should have the discretion to make these decisions.
- o Federal policy should not discriminate against parents who work at home.

- o Federal policies should act to increase, not decrease the range of child care choices available to parents.
- o New federal assistance should be targeted to families most in need.

Myths and Facts about Child Care Today

MYTH: Religiously-affiliated day care will benefit from new federal day care programs such as the ABC bill.

FACT: As many as one-third of formal day care centers are religiously affiliated. ABC prohibits assistance "for any sectarian purpose or activity, including sectarian worship and instruction." This implies that to be eligible under ABC, the child care services provided by religiously affiliated centers might be required to be indistinguishable from those provided by wholly secular providers. To meet this stanard, facilities could be required by the courts or by federal or state regulatory bodies to remove religious symbols, end the teaching of religious values and avoid such practices as prayer before meals and the singing of religious songs. Furthermore, even those centers which adhered rigorously to these standards would be subject to potential litigation over their receipt of ABC funds.

MYTH: Most young children are being cared for in day care centers.

FACT: Less than 11% of children under 5 are cared for in child care centers. Only 46% of children under five have employed mothers. Even among those mothers who are employed, the great majority use relatives or neighbors as child care providers. For parents with young children who prefer to care for their children themselves while their spouses work, the President's proposals will shift the economics of work and child care in their favor. The President's proposals discriminate neither against day care centers nor mothers caring for children at home.

MYTH: Aiding child care centers will primarily help low and moderate income working families.

FACT: Subsidies biased toward center-based care will naturally tend to help those who are comparatively better off. In 1986, a majority of mothers in married-couple families earning less than \$20,000 chose to stay at home to provide child care while less than one third of the mothers in families making over \$20,000 made the same choice. Furthermore, approximately 80 percent of children in center-based care come from two-earner families.

MYTH: Federal day care standards are necessary because day care is largely unregulated.

FACT: All states currently regulate day care to some extent. Every state licenses child care centers, and all but one regulate some or all family day care homes. State and local governments are best able to determine what standards are needed for child care. Federal standards, proposed in the past, will not work. Congress, realizing this, prohibited implementation of federal standards in 1980.

MYTH: Unregulated child care is unhealthy and unsafe for children.

FACT: The typical "unregulated" day care provider is a mother caring for one or two other neighborhood children, along with her own child. In contrast, in day care centers, the average ratio of children to staff is five to one. According to an ABT Associates report, The National Day Care Home Study, unregulated family child care is "stable, warm and stimulating ... it caters successfully to the developmentally appropriate needs of children in care; parents who use family day care report is satisfactorily meets their child care needs ... [the study's] observers were consistently impressed by the care they saw regardless of regulatory status."

THE ABC BILL DOES NOT MEET THE PRESIDENT'S PRINCIPLES

The Senate is likely to turn soon to the "Act for Better Child Care," sponsored by Senator Dodd. This bill, "ABC," does not meet the President's principles for increasing child care options and parental choice:

Parental choice: ABC puts its trust in government, not parents. No money goes directly to parents. All money goes to the States. The States then fund providers, not parents, through grants, contracts, and certificates that they, not parents, arrange or approve. It is the States, not parents, who have the ultimate decision-making power on the care children will receive under ABC.

Encourages options: ABC imposes federal day-care standards on all providers who receive public assistance. All States currently regulate day care to some degree, ensuring a healthy and safe environment for children. These costly Federal requirements will put some current child care providers out of business, keep potential providers from offering care, and drive up the cost of care available for all parents. Parents who want their children to be taught and guided by the religious values that are central to their lives would not be able to receive assistance: All caregivers -- including relatives -- are prohibited from engaging in sectarian activities, worship or instruction in providing services under ABC.

In fact, parents could not use their ABC eligibility to have anyone other than a grandparent, aunt or uncle care for their children unless (1) the State rules in each individual care that the person was an "eligible child care provider," (2) the person and his/her home meets Federal standards, and (3) the person submits to governmental grant, contract and paperwork requirements.

Non-discrimination: ABC serves two-parent families only if both parents are employed, perpetuating the discrimination against two parent families in which one parent stays at home to care for the children.

Targeted to families most in need: ABC is not well-targeted and would serve only a fraction of families most in need. Families with incomes as high as 4 times the poverty level are eligible for ABC. Only a small number of eligible children would actually receive care under ABC -- 6 percent in 1990 according to the sponsors' estimates -- and there is no guarantee that they would be from families most in need. Only one million children, the sponsors say, would receive child care services from the States -- far less than the number of children in the 3.5 million families that would initially benefit from the President's tax credit proposals.

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THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

May 15, 1989

FACT SHEET

COMBATTING VIOLENT CRIME

The President outlined today a comprehensive program to combat violent crime. The program is designed to strengthen the nation's criminal justice system and the Federal, State and local law enforcement partnership.

The program is grounded in the President's belief that greater certainty of apprehension, prosecution, and punishment will help deter crimes of violence. It includes proposals to strengthen current Federal, State and local laws, to step up enforcement, and to hold perpetrators of crimes fully accountable for their actions.

The President is proposing a common sense approach to crime with initiatives to limit access to weapons by criminals, to reform the criminal justice system, to enhance enforcement and prosecution, and to expand prison capacity to ensure both the certainty and severity of punishment.

Fundamental Principles

Four principles underlie the goals of our criminal justice system and the means for accomplishing them.

- o A primary purpose of government is to protect citizens and their property. Americans deserve to live in a society in which they are safe and feel secure.
- o Those who commit violent criminal offenses should, and must, be held accountable for their actions.
- o Our criminal justice system must have as its objective the swift and certain apprehension, prosecution, and incarceration of those who break the law.
- o Success in accomplishing our criminal justice system goals requires a sustained, cooperative effort by Federal, State and local law enforcement authorities.

The President today proposed a comprehensive four-part program to strengthen current laws, enhance enforcement and apprehension of criminals, facilitate prosecutions, and expand Federal prison capacity.

COMPREHENSIVE CRIME CONTROL ACT OF 1989**I. STRENGTHENING CURRENT LAWS**

To ensure that those who commit violent criminal offenses are held fully accountable for their actions, it is essential to eliminate certain gaps in existing law and to strengthen some existing statutes.

A. Enhanced Penalties for Firearms Violations

The President proposed seven changes in Federal firearms laws which would:

1. Double the mandatory penalty from five to ten years under 18 U.S.C. 924(c) for the use of a semi-automatic firearm during the commission of a violent crime or drug felony.
2. Amend the Armed Career Criminal statute to count as predicate offenses acts of juvenile delinquency which if committed by an adult would constitute a serious drug offense. Many youthful repeat offenders now escape the enhanced career criminal penalties because most of their prior offenses were charged as juvenile delinquency.
3. Allow for pre-trial preventive detention of defendants in cases involving certain serious Federal firearms and explosive offenses.
4. Authorize criminal penalties and mandatory minimum sentences for theft of a firearm.
5. Enhance penalties for smuggling firearms into the United States while engaged in, or in the furtherance of, drug trafficking.
6. Require mandatory revocation of Federal supervised release for those possessing a firearm anytime before the term of their supervised release expires.
7. Double the current penalty for a knowing and materially false statement on ATF Form 4473 to a maximum sentence of ten years imprisonment.

The President also urged all States to adopt model legislation providing mandatory minimum sentences for criminal offenses involving firearms to parallel Federal mandatory minimum provisions.

He directed the Attorney General to provide the States with related technical assistance through the Law Enforcement Coordinating Committees (LECCs). At present, thirty States have some provision for mandatory terms of imprisonment for use of firearms in the commission of a crime.

The President proposed providing a five percent bonus to the formula portion of drug law enforcement grants for those States which adopt this model legislation.

B. Restricting Plea Bargaining

If our criminal justice system is to achieve its objective of ensuring that those who commit violent firearms offenses are held fully accountable for their actions, plea bargaining practices nationwide must be reformed. Too often, serious felons walk away from court after pleading guilty to minor offenses and misdemeanors because overburdened prosecutors have accepted plea agreements rather than going to trial. The lesser charges result in lesser sentences or probation and repeat offenders continue to beat the system. To speed an end to such plea bargaining:

1. The President directed the Attorney General to issue and fully implement guidelines for Federal prosecutors regarding plea bargaining under the Sentencing Reform Act to ensure that Federal charges always reflect both the seriousness of the defendant's conduct and the Department's commitment to statutory sentencing goals and procedures. This will ensure that Federal prosecutors seek minimum mandatory penalties for all violent firearms offenses.
2. The President urged State and local governments to reform their plea bargaining and sentencing practices along similar lines and to devote increased resources to prosecutions.

C. Enacting Death Penalty Procedures

The criminal justice system must accord paramount importance to the protection of innocent life. The murderous "assault weapon" armed gang member, the terrorist, the traitor and the assassin, who threaten American lives and the nation's security, must know that they will face the death penalty for their crimes.

The President proposed to restore an enforceable death penalty for the most aggravated Federal crimes. His proposal includes adequate standards and constitutionally sound procedures for applying the Federal death penalty provisions that now appear in Federal statutes for homicide, espionage, and treason. It would also authorize the death penalty for a number of new offenses, such as murder for hire. In direct response to the increase in firearms-related violence, the proposal specifies that the use of a firearm in committing the offense or a previous conviction of a violent felony involving a firearm, constitute aggravating factors justifying capital punishment.

D. Restricting Imported Weapons

When the study of imported weapons by the Bureau of Alcohol, Tobacco, and Firearms is completed, the Administration will make permanent the temporary suspension on the imported weapons, if any, that fail to meet the criteria specified in the Gun Control Act of 1968 (18 U.S.C. 925).

E. Preventing Circumvention of Import Laws

The Administration will propose an amendment to ensure that actions taken under the provisions of the Gun Control Act of 1968 shall not be circumvented by domestic assembly of such weapons or any combination of domestic and foreign assembly of such weapons.

F. Restricting Gun Clips and Magazines

The Administration will propose legislation prohibiting the importation, manufacture, transfer, or sale of gun magazines of over 15 rounds for use by private citizens.

G. Limiting Access to Weapons by Criminals

In addition to greater penalties for misusing firearms, it is also important to limit access to weapons by criminals. This can be facilitated in three ways:

1. Strengthening and Expanding Prohibitions on Access to Weapons by Criminals
 - a. The President proposed to bar the sale of firearms to, or possession of firearms by, persons convicted of any violent offense, expanding the existing prohibition to cover individuals convicted of violent misdemeanor offenses.

- b. The President also proposed to bar the sale of firearms to, or possession of firearms by, persons who are convicted of any serious drug offense.

2. Improving Mechanisms for Identifying Criminals Who Attempt to Purchase Firearms

The Anti-Drug Abuse Act of 1988 requires the Attorney General to develop a system for the immediate and accurate identification of felons and others who attempt to purchase firearms but are barred by Federal law [18 U.S.C. 922(g)(1)] from buying or possessing firearms. The initial stage of the study must be completed by November 18, 1989.

- a. The President directed the Attorney General to expand the National Criminal Records Identification System Implementation study to include a review and evaluation of State and local procedures which have effectively limited criminal access to firearms, and based on that review and in consultation with the Bureau of Alcohol, Tobacco, and Firearms, to develop recommendations for model State legislation and procedures to complement and enhance efforts to reduce felons' access to firearms.

Model State legislation or procedures might include a reasonably structured waiting period, or use other devices to facilitate accuracy in determining whether an individual seeking to purchase a weapon from a licensed gun dealer is ineligible by reason of Federal law. At present, more than twenty States have waiting periods, identification requirements, or other procedures which effectively limit criminal access to weapons.

- b. The President urged States to transfer criminal history conviction, sentencing, and other case disposition records to the proper Federal authorities. He also directed the Attorney General to recommend additional improvements in the criminal records data system. The quality of criminal history data is a critical factor in crime control and prevention. At present, the only criminal history records consistently reported by States and localities are arrest records.

Timely and accurate reporting of conviction, sentencing and other case disposition records is essential to the effective operation of the nation's criminal justice system.

To improve the national data base, States should make such criminal record reporting mandatory and take steps to ensure that centralized State criminal history repositories are adequately funded and managed. In addition, States should maintain records and report on all serious crimes committed by juveniles who frequently continue their criminal careers into adulthood, but often escape early identification as repeat offenders and recidivists because their juvenile records are not reported.

3. Eliminating Loopholes and Clarifying Existing Offenses

The President also proposed to eliminate loopholes and clarify existing offenses related to the sale or transfer of firearms, in order to:

- a. facilitate the prosecution of unlicensed gun dealers engaged in illegal weapons transfers to aliens or transients;
- b. expand Federal jurisdiction to permit prosecution of transactions in stolen firearms and weapons lacking serial numbers in cases where the firearms have previously moved in interstate or foreign commerce (present law requires the firearms be moving in interstate commerce at the time of the offense);
- c. provide a uniform standard to determine whether a person is under Federal firearms disabilities based upon State convictions;
- d. require that persons convicted under State law of a serious drug offense or violent felony apply to Federal authorities in order to have their firearms rights restored;
- e. amend provisions regarding the disposal of forfeited firearms; and
- f. clarify the definition of burglary in the Armed Career Criminal Act to eliminate loopholes caused by differing State laws.

H. Making Drug Testing a Condition of Release

The President also proposed to authorize and fund nationwide implementation in 1990 of drug testing as a mandatory condition of Federal probation, parole or supervised release. It is estimated that 81,500 people will be on some form of Federal supervised release in 1990. The Justice Department and the Federal Judiciary will coordinate implementation of this program.

The President urged States to adopt similar mandatory drug testing programs as a condition of parole.

II. AUGMENTING ENFORCEMENT

A primary purpose of government is to protect citizens and their property. This requires the sustained cooperative commitment of Federal, State and local law enforcement officials. Apprehending violent offenders requires increased enforcement personnel, improved cooperation among law enforcement authorities, and not permitting the exclusion of evidence on legal technicalities.

A. Additional ATF Special Agents

The President proposed to increase funds for the Bureau of Alcohol, Tobacco and Firearms to provide for the hiring, training and equipping of 375 ATF special agents, inspectors and support personnel to investigate assault weapon and other firearms violations by armed career criminal and repeat offenders.

B. Additional U.S. Marshals

The President proposed to increase funds for the U.S. Marshals to provide for about 150 additional positions for the Marshals Fugitive Investigations and Court Orders Program. This would direct greater Federal efforts to capturing fugitives and career criminals.

C. Additional FBI Agents

The President proposed to increase funds for the FBI to provide for about 300 additional positions for the Bureau's Violent Crime and Major Offenders Program and Organized Crime Program and to assist States and localities improve their efforts in fighting violent crime through greater Federal/State cooperation.

D. Coordinated Task Forces

The President directed the Attorney General and Secretary of the Treasury to develop a coordinated strategy for the deployment of the additional U.S. Marshals, ATF and FBI agents. Their deployment will emphasize working closely with State and local authorities in task forces to target and investigate career criminals who are subject to prosecution as repeat offenders under Federal firearms laws and related statutes.

E. State and Local Resources

The President urged State and local authorities to increase their law enforcement resources devoted to identifying and apprehending violent criminal offenders.

F. Exclusionary Rule Reform

The President proposed to establish a general "good faith" exception to the exclusionary rule which would permit evidence to be admitted if the officers carrying out a search or seizure acted with an objectively reasonable belief that their conduct was in conformity with Fourth Amendment requirements. The reform legislation would clarify that in the absence of explicit statutory authority for doing so, Federal courts may only exclude evidence on the basis of constitutional violations.

III. ENHANCING PROSECUTION

In order to assure that criminals are held accountable for their offenses, certainty of prosecution must accompany severity of punishment. Federal, State and local authorities must expand and coordinate their prosecutorial efforts.

A. Additional Assistant U.S. Attorneys

The President proposed to increase funds for the U.S. Attorneys Offices to support 1,600 additional positions to handle the increased number of Federal defendants and to prosecute more drug cases, weapons offenses, and other priority matters.

B. Additional Criminal Division Attorneys

The President proposed to increase funds for the Justice Department Criminal Division to support 168 additional positions to focus on drug cases, weapons offenses, and other priority matters, including activities to foster State and local cooperation and coordinated law enforcement strategies.

C. Additional Housing for Unsenteded Prisoners

The President proposed additional funds for the U.S. Marshals Service to provide transportation and 300,000 added jail days for unsenteded prisoners and pre-trial detainees.

D. Additional Judicial Branch Resources

The President proposed increasing the Administration's budget request for the Judiciary by \$40 million for FY 1990 to cover costs associated with processing increased numbers of criminal defendants and for additional Federal criminal prosecutions.

E. Habeas Corpus Reform

The President proposed immediate enactment of habeas corpus reform to establish a general one-year time limit on Federal applications by State prisoners; and to require deference in Federal proceedings to the results of fair and reasonable State court determinations. This will correct the existing system of review, under which over 10,000 cases are annually filed in Federal court.

IV. EXPANDING PRISON CAPACITY

Prison overcrowding remains a national problem. The most acute problem is at the Federal level. At both the Federal and State level prison overcrowding is a factor in sentencing. At the State and local levels it is often responsible for the early release of convicted criminals.

A. Expanding Federal Prison Construction

The President proposed an additional \$1 billion for Federal prison construction, bringing the total 1990 budget to over \$1.5 billion. This will increase prison capacity by about 77 percent, adding over 24,000 new Federal prison beds. The present rated Federal prison capacity is 30,951 beds, the present Federal prison population is approximately 48,000.

B. Converting Unused Federal Properties

The President directed the Secretary of Defense, the Secretary of Education, and the Administrator of the General Services Administration to work with the Attorney General to identify expeditiously properties and facilities suitable for conversion for use as Federal prisons or jails.

C. Deporting Criminal Aliens

The President proposed to provide the Attorney General with \$14.0 million for the Immigration and Naturalization Service (INS) and the Executive Office for Immigration Review in order to expedite the deportation of convicted criminal aliens.

Crimes committed by aliens are rising disproportionately in relation to the general population and entailing more violent and drug-related crime.

The Federal Bureau of Prisons has identified 9,254 aliens in its facilities, 20.6 percent of its total inmate population.

D. Encouraging State Prison Construction

The President commended and encouraged State prison construction efforts. States currently have construction of 63,452 new bedspaces underway. An additional 78,094 bedspaces are planned, and funding has been secured for their construction. Moreover, States have requested construction of 72,190 additional bedspaces.

E. Review of Court-Ordered Prison Caps

The President directed the Attorney General to conduct a review of the role of court orders and consent decrees in prison crowding situations, including an assessment of the scope of judicial authority in formulating and issuing such orders, the impact of such orders on the operation of prison systems and public security, and non-judicial means of addressing prison crowding. The Attorney General will report his findings to the President and recommend any necessary remedial actions.

Legislation to implement elements of this initiative will be transmitted shortly by the Attorney General.

Funding Summary**Enforcement:**

BATF	\$18.8 million
U.S. Marshals	\$12.0 million
FBI	\$19.5 million

Prosecution:

U.S. Attorneys	\$49.6 million
Criminal Division	\$ 5.4 million
Unsentenced Prisoner Support	\$13.0 million
Courts	\$40.0 million

Drug Testing:

Mandatory Testing	\$10.7 million
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Criminal Alien Deportation:

INS	\$12.5 million
EOIR(Executive Office for Immigration Review)	\$ 1.6 million

State Grant Bonus:

Office of Justice Programs (Bonus)	\$ 6.0 million
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SUBTOTAL (non-prison)

	\$189.1 million
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Prisons:

Federal Prison Construction	\$1.0 billion
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This will bring the total 1990 prison construction budget to over \$1.5 billion, which includes \$115 million available from the Special Forfeiture Fund available to the Office of National Drug Control Policy, and \$401 million in the original Bush Budget.

TOTAL INCREASE

\$1.189.1 billion*

* This total can be accommodated within the overall domestic discretionary spending cap set in the Bipartisan Budget Agreement.

THE WHITE HOUSE

WASHINGTON

MAY 16, 1989

1989 MAY 16 PM 1:37

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON CW

FROM: CURT SMITH CS

SUBJECT: MAY 17 GOP HOUSE CONFERENCE REMARKS

I. SUMMARY

At 10:30 A.M. on Wednesday, May 17, you will address the members of the GOP House Conference on the House floor.

II. DISCUSSION

The enclosed talking points express your appreciation for the support of House Republicans thus far in your Administration. They also focus on your need for their continued support on such issues as the S&L package, the Supplemental Appropriations bill, your crime proposals, and Panama.

(Smith/Blessey)
May 16, 1989
Draft Five
GOP

PRESIDENTIAL REMARKS: GOP HOUSE CONFERENCE
WASHINGTON, D.C.
WEDNESDAY, MAY 17, 1989

o Ladies and gentlemen, friends. I want to thank you, Jerry, for that kind introduction. And for inviting me to meet with you today.

o Early in this Administration, we made a conscious effort to open lines of communication on policy issues with all House Republicans. Today continues that dialogue -- and I welcome the chance to come and talk with you.

o Since my February 9 visit to this wonderful chamber, House Republicans have helped win victories vital to the success of our young Administration.

o I say "vital" because in the first 100 days of this Congress, if I needed to win a vote or sustain a veto, I've looked to you -- and you've delivered.

o On the Eastern Airlines "emergency board" legislation and on Minimum Wage, the two bills where we needed you to demonstrate

the strength to sustain my veto threat -- here, you delivered the votes.

o On the budget resolution and the Contra Aid package, two items where we had the opportunity to put together winning bipartisan coalitions -- here, too, you delivered the votes.

o And on the Foley Amendment, when the Democratic leadership wanted to fund a lot of projects above and beyond the legitimate "dire emergency" funding we asked for in our 1989 Supplemental Appropriations bill -- well, here, you did more than deliver the votes. You said "No" to liberal budget-busting. And "Yes" to a responsible fiscal policy. That's a prime example of Republican leadership.

o Bob, Sil, and Newt, you led the successful fight in the first round on the Supplemental. But today, the bill is back on the House floor. So we need your help again to defeat the Smith Amendment, and any other amendments that expand the bill irresponsibly. Yes, we must address dire emergencies like Veterans medical care. But without loading the bill with unnecessary funding.

o As you can see, the challenges go on. But let me offer heart-felt thanks for your past support. It has made a

difference. And secondly, let me ask for your continued support. For I'll need support in the tough fights ahead.

- o For example, I'm committed to move ahead with the FSX deal. And I need your help.

- o If we approve this deal, Japan will assume a greater share of the defense burden in the Northwest Pacific. Its passage could ultimately provide over \$2.5 billion worth in U.S. jobs. And we will have access to all FSX technology.

- o But if this package fails, we will lose precious access to new technology. And every dollar of those jobs.

- o I also need your help in getting our S&L package to the floor before Memorial Day. I know that's an ambitious goal. But consider: The Senate passed this legislation on April 19, and yet there's still no date for House floor action. The delay has cost the taxpayers over \$500 million since the Senate completed action.

- o The Banking Committee has spent a lot of time on this bill. All the fights have been fought. Now, it's time to quit stalling and get the job done. I hope that the House will resist efforts to undo the bill's financing mechanism. For if members

want to save the public money, the best way is to pass this bill -- now.

o How else can you help America? By passing our child care legislation which puts money in the hands of low-income parents, limits Federal intervention, and increases options.

o I need support, too, for the \$1.2 billion crime package that I outlined Monday. It calls for more prison cells and law enforcement officers. For more prosecutors. And for tougher laws to put criminals behind bars.

o And, finally, we need your help to restore democracy to Panama. It won't be easy. It may take time. But the more united we are at home -- and with our allies in the region -- the greater our chance to bring democracy back to Panama.

o Again, thank you -- as colleagues, and as friends. I appreciate your help, the cooperation of Bob Michel, Newt Gingrich, Jerry and the rest of the leadership. And I look forward to working with you. Together, let us build a better, fairer, more prosperous America.

o And now, Jerry, I'll be pleased to take any questions.

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3055

FS-X AND U.S. NATIONAL INTERESTS

PURPOSE

The FS-X is part of an overall plan, begun in 1981, to encourage Japan to assume a greater share of the defense burden in the Northwest Pacific. The 130 enhanced F-16 type aircraft and the expected direct purchases of AWACS and tankers in the early 1990s are designed to improve substantially on Japan's ability to defend itself and the sealanes in the Northwest Pacific.

EVOLUTION

Originally Japan wanted to build its own fighter to spur development of the aircraft industry. Powerful elements of the Japanese industrial establishment sought indigenous development out of nationalist pride and a desire to keep virtually all of the \$5-7 billion in job creating expenditures at home. Advocates of self-reliant defense also sought an indigenously produced airplane to give Japan more independent control over access to weapons. If the indigenous development plan had prevailed, the total buy in the U.S. would have been zero or limited to a few purchases of development items and integration with the U.S. defense establishment would have been minimized.

Originally the U.S. wanted Japan to buy the F-16 or the F-18 off-the-shelf to keep virtually all of the job creating expenditures in the United States and to maximize U.S. military interdependence with Japan. Under this scheme the total buy in the U.S. would have approximated \$2.5 billion.

The final FS-X position represents a fair compromise between close allies. Co-development, based on the F-16, precludes Japan from going it alone and maximizes U.S.-Japan interdependence. It provides in excess of \$2.5 billion in job-generating expenditures in the United States. U.S. insight into Japan's aircraft industry is maximized by a co-development scheme in which limited elements of U.S. technology developed in the 1970's are exchanged for experimental Japanese production technology on cocured composite wings and phased array radar; if the \$1.2 billion development budget produces breakthroughs in these two areas the technologies will be available to the U.S. at virtually no cost to the U.S. taxpayer.

RESULTS

-- Japan will contribute 130 highly advanced aircraft to the defense of the Northwest Pacific in the 1990s.

-- Japan's defense establishment will remain heavily dependent on U.S. weapons technology for the remainder of this century.

-- Japan will fund the entire FS-X project. No U.S. taxpayer money will be spent.

-- U.S. companies will receive a \$480 million (40%) share of the development work and approximately \$2 billion (40%) of the production work.

-- The 22,700 man-years in employment benefits and the \$2.5 billion expended in the U.S. is approximately the same contribution in jobs and benefits to the U.S. balance of payments that would have resulted from off-the shelf purchase of F-16s.

-- Sensitive U.S. technology is fully protected. Japan cannot divert it to other uses without explicit U.S. consent. Japan will not receive direct access to the state-of-the-art technology of our latest F-16s.

-- Japan will pay R&D recoupment charges on the baseline F-16 technology thereby compensating the U.S. taxpayer for part of the sunk costs of the F-16 program. Japan will also pay a royalty charge for every FS-X produced.

-- The U.S. will have access to all FS-X technology. There will be no charge for new technologies derived from U.S.-origin technology, and the U.S. will have a guaranteed right to purchase all FS-X technologies developed independently by Japan.

-- The FS-X negotiation, subsequent review and clarification have set a precedent for the future by putting U.S. economic interests into the national security equation along with strictly military concerns.

-- FS-X is a new concept. A highly advanced weapon will be further enhanced through cooperation between the two most technologically sophisticated countries in the world which will share R&D costs of the past and the present to benefit taxpayers of both countries.

IMPLICATIONS OF NOT CONFIRMING THE FS-X

-- Japan would be pushed in the direction of either wholly indigenous development or development in cooperation with others, probably the European consortium or the French.

--the FS-X produced without American assistance would probably be less capable and would become operational at a later date, delaying the contribution to burden sharing represented by 130 new sophisticated fighters

--the nationalist elements favoring greater independence

from the United States would be encouraged. This would disturb allies and friends throughout the region who have counted on the U.S.-Japan security relationship to restrain Japan from developing independent military power commensurate with its economic power. This is why allies and friends in Asia and the Pacific have expressed concern that the U.S. should carry through on the FS-X agreement.

--seeds of distrust would be sown in the security relationship with our most important Asian ally, a country with the third largest military budget in the world, a country that buys more defense articles from the United States than Great Britain, France, West Germany, and Italy combined.

-- U.S. business would lose \$2.5 billion worth of jobs on the FS-X alone along with any prospect for similarly lucrative deals in the future

and U.S. control of the process would

-- U.S. origin technologies of the FS-X would probably reach Japan anyway ^{inc} ~~but through European or Israeli channels~~. U.S. control over the process will have been lost along with all U.S. economic benefits.

-- The U.S. would lose virtually free access to technologies derived from the \$1.2 billion development budget of the FS-X.

-- The U.S.-Japan relationship will be damaged and decision-makers throughout Asia will again begin to worry about the dependability of deals negotiated with Washington.

(Smith/Blessey)
May 15, 1989
Draft Four
GOP

PRESIDENTIAL REMARKS: GOP HOUSE CONFERENCE
WASHINGTON, D.C.
WEDNESDAY, MAY 17, 1989

*Nick Calio memo
5/12/89*
o Ladies and gentlemen, friends. I want to thank you, Jerry, for that kind introduction. And for inviting me to meet with you today.

*3004 Andrea
Nick Calio memo
5/12/89*
o Early in this Administration, we made a conscious effort to open lines of communication on policy issues with all House Republicans. Today continues that dialogue -- and I welcome the chance to come and talk with you.

*Nick Calio memo
5/12/89*
o Since my February 9 visit to this wonderful chamber, House Republicans have helped win victories vital to the success of our young Administration.

*Nick Calio memo
5/12/89*
o I say "vital" because in the first 100 days of this Congress, if I needed to win a vote or sustain a veto, I've looked to you -- and you've delivered.

*Nick Calio Memo
5/12/89*
o On the Eastern Airlines "emergency board" legislation and on Minimum Wage, the two bills where we needed you to demonstrate

the strength to sustain my veto threat -- here, you delivered the votes.

*ick Colia memo
5/12/89*

items Dorman

o On the budget resolution and the Contra Aid package, two bills where we had the opportunity to put together winning bipartisan coalitions -- here, too, you delivered the votes.

*ick Colia memo
5/12/89*

Peter Rodman

o And on the Foley Amendment, when the Democratic leadership wanted to fund a lot of pet projects above and beyond the legitimate "dire emergency" funding we asked for in our 1989 Supplemental Appropriations bill -- well, here, you did more than deliver the votes. You said "No" to liberal budget-busting. And "Yes" to a Republican future.

*Dorman comments
Jully
5/92*

o Bob, Sil, and Newt, you led the successful fight in the first round on the Supplemental. But today, the bill is back on the House floor. So we need your help again to defeat the Smith Amendment, and any other amendments that expand the bill irresponsibly. Yes, we must address dire emergencies like Veterans medical care. But without larding the bill with pork-barrel funding.

unnecessary

padding

o As you can see, the challenges go on. But let me offer heart-felt thanks for your past support. It has made a difference. And secondly, let me ask for your continued support. For I'll need support in the tough fights ahead.

*Costa Rica
Press's Style*

For example, I'm committed to move ahead with the FS-X deal. And I need your help.

If we approve this deal, Japan will assume a greater share of the defense burden in the Northwest Pacific. Its passage could ultimately provide over \$2.5 billion worth in U.S. jobs. And we will have access to all FS-X technology.

But if this package fails, we will lose ^(previous) access to new technology. And every dollar of those jobs. ~~And above all, protectionist forces will be encouraged to further damage the American economy, delighting our enemies and disturbing our allies.~~

I also need your help in getting our S&L package to the floor before Memorial Day. I know that's an ambitious goal. But consider: The Senate passed this legislation on April 19, and yet there's still no date for House floor action. The delay has cost the taxpayers over \$500 million since the Senate completed action.

The Banking Committee has spent a lot of time on this bill. All the fights have been fought. Now, it's time to quit stalling and get the job done. I hope that the House will resist efforts to undo the bill's financing mechanism. For if members want to save the public money, the best way is to pass this bill -- now.

FS-X Memo
from Carl Jackson NSC

377-2115
Mike Horren
Commerce

Peter Newman
NSC 6404

Jick Colie memo
5/12/87

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Jick Colie memo
5/12/87

Breadan

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Handwritten scribbles and marks on the right side of the page.

Child Care Fed Sht
5/9/89

o How else can you help America? By passing our child care legislation which puts money in the hands of low-income parents, limits Federal intervention, and increases options.

Crime Pack. Fed Sht.
5/15/89
Emily Meek

o I need support, too, for the \$1.7 billion crime package that I outlined Monday. It calls for more prison cells and law enforcement officers. For legislation to restrict the availability of semiautomatic assault weapons. And for tougher laws to put criminals behind bars.

for more prosecutions.

Bring back

o And, finally, I -- America -- need your help to restore democracy to Panama. It won't be easy. It may take time. But the more united we are at home -- and with our allies in the region -- the greater our chance to drive the thugs and goons from the streets of Panama.

bring democracy to Panama.

Vick Colio memo
5/10/89

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Vick Colio memo
5/12/89

o And now, Jerry, I'll be pleased to take any questions.

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Gary

Comments from Cicconi

(Smith/Blessey)
May 16, 1989
Draft Five
GOP

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WASHINGTON, D.C.
WEDNESDAY, MAY 17, 1989

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o On the Eastern Airlines "emergency board" legislation and on Minimum Wage, the two bills where we needed you to demonstrate

the strength to sustain my veto threat -- here, you delivered the votes.

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McClure
to call
JC
this

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o How else can you help America? By passing our child care legislation which puts money in the hands of low-income parents, limits Federal intervention, and increases options.

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*all of
Portia --
restriction
in guns
will be by
regulation (import)
clips over 15 rounds
will be banned by legis.*

Y Mc Clure A

(Smith/Blessey)
May 16, 1989
Draft Five
GOP

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