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Folder Title:
State of the Union 1/31/90 [OA 8310] [3]

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G	26	19	6	2

And this year's budget provides over $2 billion in new spending to protect ~~the~~ our environment. ~~There's over $1 billion~~ Over $1 billion for ~~GTB~~ global change research. And a new initiative...

And this year's budget provides ov

Table 15.6—TOTAL GOVERNMENT SURPLUSES OR DEFICITS (—) IN ABSOLUTE AMOUNTS AND AS PERCENTAGES OF GNP: 1947–1989

(dollar amounts in billions)

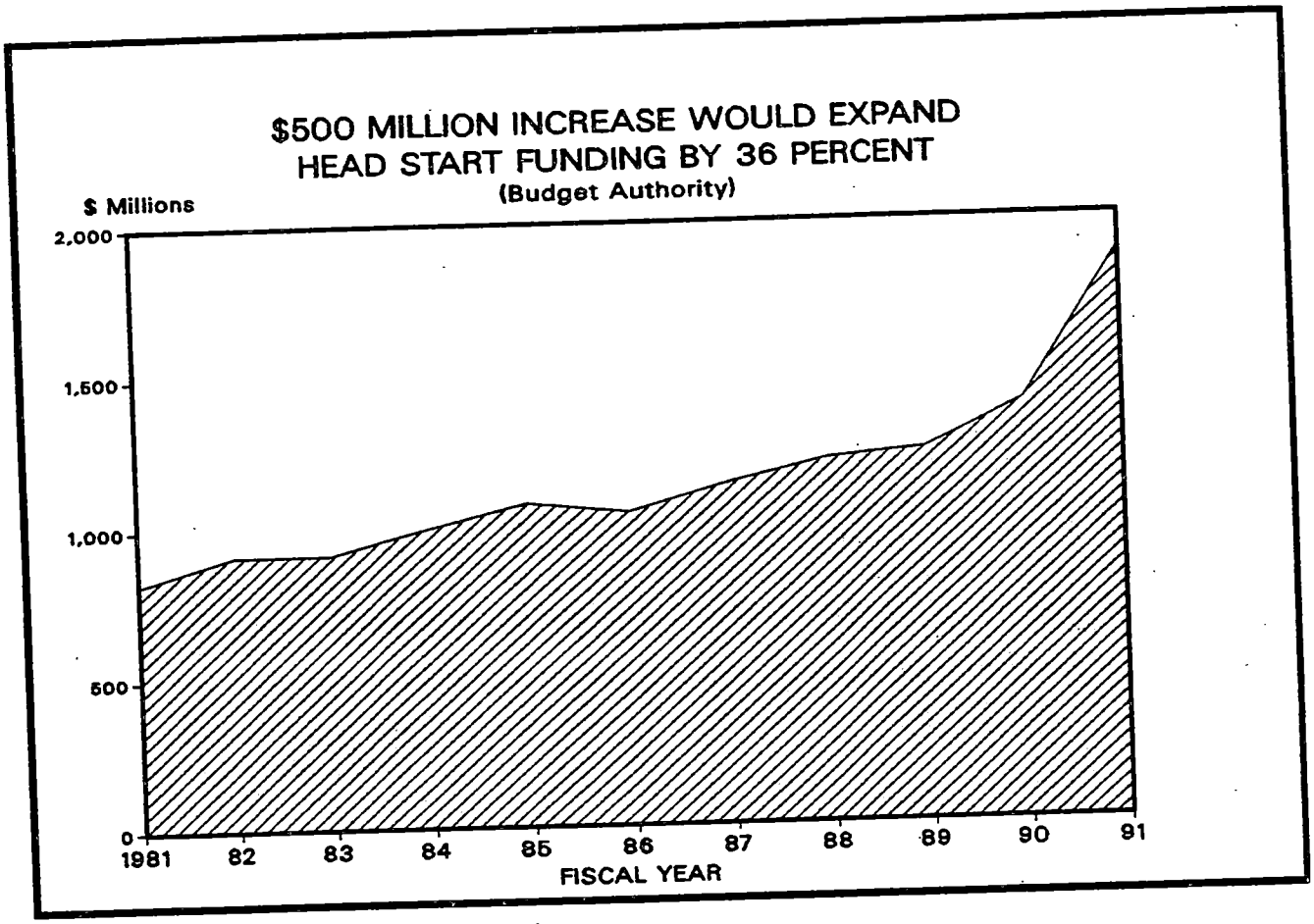
Fiscal Year	In Absolute Amounts					As Percentages of GNP		
	Total Government	Federal Government			State and Local (NIPA Basis)	Total Government	Total Federal	State and Local
		Total	On-Budget	Off-Budget				
1947	5.6	4.0	2.9	1.2	1.6	2.5%	1.8%	0.7%
1948	12.4	11.8	10.5	1.2	0.6	5.0	4.8	0.2
1949	0.4	0.6	—.7	1.3	—.2	0.2	0.2	—.1
1950	—4.4	—3.1	—4.7	1.6	—1.3	—1.7	—1.2	—.5
1951	5.6	6.1	4.3	1.8	—.5	1.8	1.9	—.2
1952	—2.0	—1.5	—3.4	1.9	—.4	—.6	—.4	—.1
1953	—6.2	—6.5	—8.3	1.8	0.3	—1.7	—1.8	0.1
1954	—1.4	—1.2	—2.8	1.7	—.3	—.4	—.3	—.1
1955	—4.6	—3.0	—4.1	1.1	—1.6	—1.2	—.8	—.4
1956	3.2	3.9	2.5	1.5	—.8	0.8	0.9	—.2
1957	2.5	3.4	2.6	0.8	—.9	0.6	0.8	—.2
1958	—4.8	—2.8	—3.3	0.5	—2.0	—1.1	—.6	—.4
1959	—14.6	—12.8	—12.1	—.7	—1.8	—3.0	—2.7	—.4
1960	0.7	0.3	0.5	—.2	0.4	0.1	0.1	0.1
1961	—3.6	—3.3	—3.8	0.4	—.3	—.7	—.6	—*
1962	—7.1	—7.1	—5.9	—1.3	*	—1.3	—1.3	*
1963	—4.4	—4.8	—4.0	—.8	0.3	—.8	—.8	0.1
1964	—5.3	—5.9	—6.5	0.6	0.6	—.8	—.9	0.1
1965	—.7	—1.4	—1.6	0.2	0.8	—.1	—.2	0.1
1966	—3.1	—3.7	—3.1	—.6	0.6	—.4	—.5	0.1
1967	—10.1	—8.6	—12.6	4.0	—1.5	—1.3	—1.1	—.2
1968	—24.7	—25.2	—27.7	2.6	0.4	—2.9	—3.0	0.1
1969	2.9	3.2	—.5	3.7	—.4	0.3	0.3	—*
1970	0.8	—2.8	—8.7	5.9	3.7	0.1	—.3	0.4
1971	—23.5	—23.0	—26.1	3.0	—.5	—2.2	—2.2	—*
1972	—15.2	—23.4	—26.4	3.1	8.2	—1.3	—2.0	0.7
1973	—*	—14.9	—15.4	0.5	14.9	—*	—1.2	1.2
1974	4.5	—6.1	—8.0	1.8	10.6	0.3	—.4	0.8
1975	—47.4	—53.2	—55.3	2.0	5.8	—3.1	—3.5	0.4
1976	—66.9	—73.7	—70.5	—3.2	6.8	—3.9	—4.3	0.4
TQ	—16.2	—14.7	—13.3	—1.4	—1.4	—3.6	—3.3	—.3
1977	—29.3	—53.6	—49.7	—3.9	24.4	—1.5	—2.8	1.3
1978	—27.8	—59.2	—54.9	—4.3	31.4	—1.3	—2.7	1.4
1979	—13.7	—40.2	—38.2	—2.0	26.5	—.6	—1.6	1.1
1980	—48.1	—73.8	—72.7	—1.1	25.7	—1.8	—2.8	1.0
1981	—46.5	—78.9	—73.9	—5.0	32.4	—1.6	—2.6	1.1
1982	—93.1	—127.9	—120.0	—7.9	34.8	—3.0	—4.1	1.1
1983	—165.2	—207.8	—208.0	0.2	42.6	—5.0	—6.3	1.3
1984	—122.3	—185.3	—185.6	0.3	63.0	—3.3	—5.0	1.7
1985	—150.4	—212.3	—221.6	9.4	61.8	—3.8	—5.4	1.6
1986	—156.6	—221.2	—237.9	16.7	64.6	—3.7	—5.3	1.5
1987	—95.8	—149.7	—169.3	19.6	53.9	—2.2	—3.4	1.2
1988	—105.0	—155.1	—193.9	38.8	50.0	—2.2	—3.2	1.0
1989	—105.4	—152.0	—204.7	52.8	46.6	—2.0	—2.9	0.9

* If dollars, $50 million or less. If percent, 0.05 percent or less.

preparation for the disadvantaged and handicapped.

Head Start.—Head Start is the largest and oldest Federal program designed to prepare young children to succeed in school. Aimed at giving an "equal place at the starting line" to children who face extra challenges in keeping up with their schoolmates, Head Start provides comprehensive educational, medical, nutritional, social and other developmental services to poor, preschool-age children. Because kindergarten is now almost universal for five year olds, the majority of children served by Head Start are four years old.

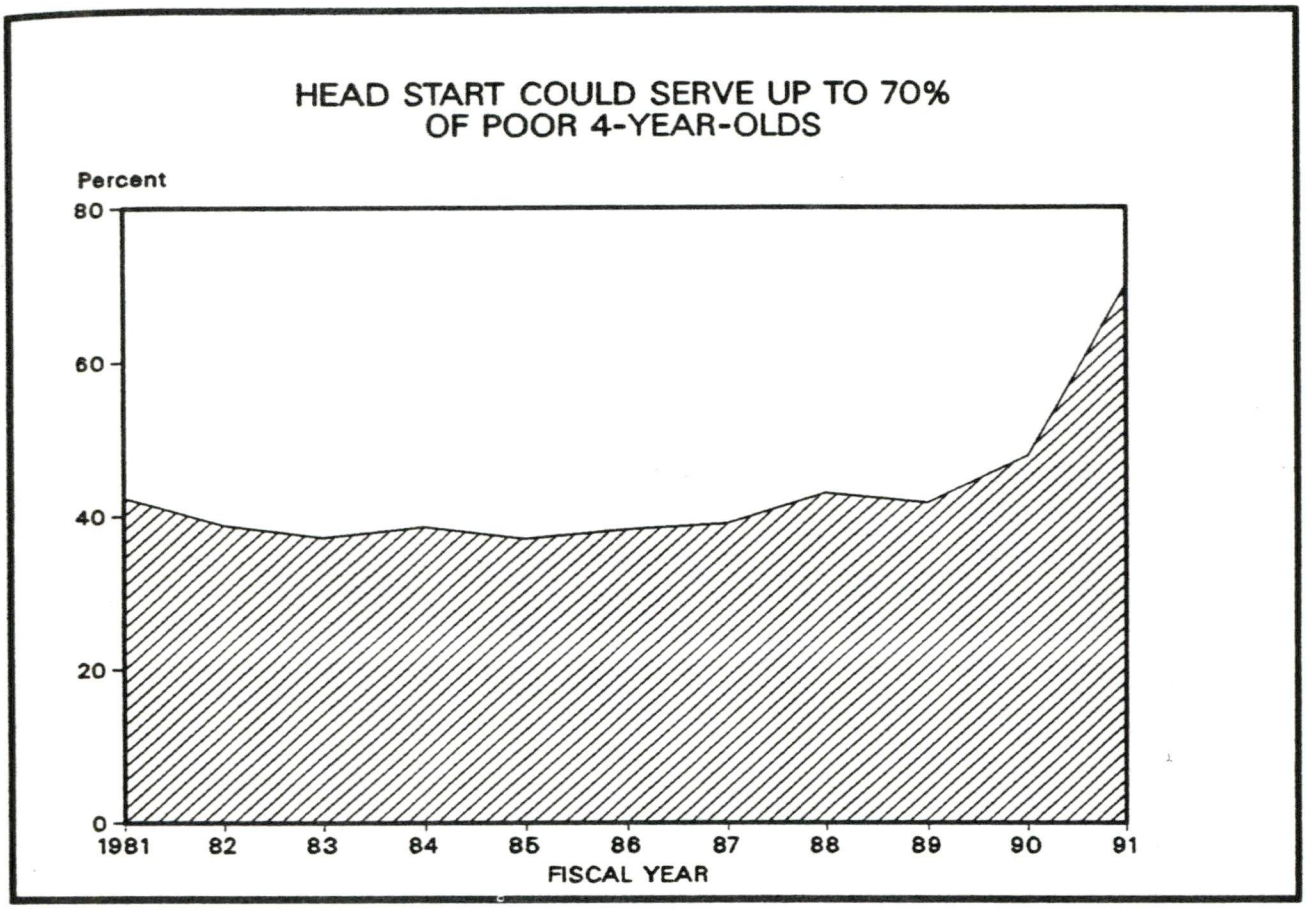
Since its inception in 1965, Head Start has emphasized parental and community involvement. Head Start parents both receive services, such as parenting education, as well as provide services by participating in local program administration, volunteering for program work, and serving as paid staff. (Currently almost one-third of Head Start's paid staff is composed of present and former Head Start parents, including many ex-volunteers who have received credentials in early childhood development.) In total, Head Start volunteers number about 620,000 nationwide, more than the number of children enrolled and eight times the number of paid staff.



Over time Head Start has evolved from an eight week summer program to a program that uses a wide range of organizational and service delivery models to meet the needs of poor children and their families in different communities. For example, projects can be center-based or they can be home-based, depending upon the community being served. Reflecting the close ties that each Head Start project has to its community, local sponsors are diverse, ranging from community action agencies to religious organizations.

Research shows that Head Start children experience substantial immediate gains in cogni-

tive growth, school readiness and achievement. To enable more children, as well as their families, to receive the benefits of Head Start, the budget proposes to increase the program by $500 million in budget authority, to a total of $1.886 billion. This 36 percent increase over the 1990 level would enable Head Start to enroll up to 180,000 more poor four year olds. As a result, the total percentage of eligible children in this age group served could be as high as 70 percent. Because 26 States and the District of Columbia now fund their own preschool programs, and Federal funds support preschool activities other than Head Start as well, the percentage of poor four year olds benefiting from pre-kindergarten programs would be even higher.



Other programs.—Increased resources for Department of Education programs that benefit preschool children are also proposed in the budget.

- Nearly 350,000 children attend pre-kindergarten and kindergarten programs funded under the Chapter 1 Compensatory Education programs. The budget provides substantial increases for grants to school districts to support this and other programs for the educationally disadvantaged, as discussed in the sections that follow.
- Funding for Even Start would double, to $48 million, allowing significantly increased participation in this program designed to provide basic education services to parents together with their children aged one through seven.
- Since 1987, the Department has provided funds to States to develop systems to find, and coordinate services for, handicapped infants and their families. By 1991, every State's system, by law, must be fully operational. The budget provides $83 million for States to maintain these systems.

THE PRESIDENT'S EDUCATION SUMMIT WITH GOVERNORS

UNIVERSITY OF VIRGINIA

September 27 - 28, 1989

Joint Statement

The President and the nation's Governors agree that a better educated citizenry is the key to the continued growth and prosperity of the United States. Education has historically been and should remain, a state responsibility and a local function, which works best when there is also strong parental involvement in the schools. And, as a Nation we must have an educated workforce, second to none, in order to succeed in an increasingly competitive world economy.

Education has always been important, but never this important because the stakes have changed: Our competitors for opportunity are also working to educate their people. As they continue to improve, they make the future a moving target. We believe that the time has come, for the first time in U.S. history, to establish clear, national performance goals, goals that will make us internationally competitive.

The President and the nation's Governors have agreed at this summit to:

-- establish a process for setting national education goals;

-- seek greater flexibility and enhanced accountability in the use of Federal resources to meet the goals, through both regulatory and legislative changes;

-- undertake a major state-by-state effort to restructure our education system; and

-- report annually on progress in achieving our goals.

This agreement represents the first step in a long-term commitment to reorient the education system and to marshal widespread support for the needed reforms.

NATIONAL EDUCATION GOALS

The first step in restructuring our education system is to build a broad-based consensus around a defined set of national education goals. The National Governors' Association Task Force on Education will work with the President's designees to

recommend goals to the President and the Nation's Governors. The process to develop the goals will involve teachers, parents, local school administrators, school board members, elected officials, business and labor communities, and the public at large. The overriding objective is to develop an ambitious, realistic, set of performance goals that reflect the views of those with a stake in the performance of our education system. To succeed we need a common understanding and a common mission. National goals will allow us to plan effectively, to set priorities, and to establish clear lines of accountability and authority. These goals will lead to the development of detailed strategies that will allow us to meet these objectives.

The process for establishing these goals should be completed and the goals announced in early 1990.

By performance we mean goals that will, if achieved, guarantee that we are internationally competitive, such as goals related to:

-- the readiness of children to start school;

-- the performance of students on international achievement tests, especially in math and science;

-- the reduction of the dropout rate and improvement of academic performance, especially among at-risk students;

-- the functional literacy of adult Americans;

-- the level of training necessary to guarantee a competitive workforce;

-- the supply of qualified teachers and up-to-date technology; and

-- the establishment of safe, disciplined, and drug-free schools.

THE FEDERAL/STATE PARTNERSHIP

Flexibility and Accountability

The President and the Governors are committed to achieving the maximum return possible from our investment in the Nation's education system. We define maximum return as the following: significant and sustained educational improvement for all children. Nothing less will meet the Nation's needs for a strong, competitive workforce; nothing less will meet our children's needs for successful citizenship and economic opportunity.

Federal funds, which represent only a small part of total education spending, are directed particularly toward services for

young people most at risk. Federal laws and regulations control where and for whom states and localities spend this money. State and local laws and regulations control what is taught, and how, for all students.

At present, neither Federal nor State and local laws and regulations focus sufficiently on results, or on real educational improvement for all children. Federal and State executives need authority to waive statutory and regulatory provisions in return for greater accountability for results.

The President and the Governors have agreed:

-- to examine Federal regulations under current law and to move in the direction of greater flexibility;

-- to take parallel steps in each state with respect to State laws and administrative rules.

-- to submit legislation to Congress early next year that would provide State and local recipients greater flexibility in the use of Federal funds, in return for firm commitments to improved levels of education and skill training.

The President and the Governors have agreed to establish a working group of Governors and the President's designees to begin work immediately to accomplish these tasks.

We know that other voices need to be heard in this discussion -- voices of educators, parents, and those whose primary interest is the protection of the disadvantaged, minorities, and the handicapped. We need to work with the Congress. The processes we will set up immediately following this conference will involve all parties.

The urgent need for flexibility in using Federal funds can best be illustrated by a few examples.

First, the Federal Vocational Education Act, which mandates specific set-asides that often result in individual awards that are too small to be meaningful and that prohibit the money from being spent to achieve its purpose. One state reported being required to divide $300,000 in aid among far too many categories and set-asides.

Second, similarly, the Chapter 1 program requires that equipment purchased to provide remedial education services cannot be used for non-Chapter 1 institutions in areas such as adult education. Several States report that large numbers of computers purchased by Federal funds are idle at night, while adult education classes that need them either do without or use scarce tax dollars to buy other equipment.

Third, the requirements that children who benefit from Federal

funds for compensatory and special education be taught separately often undermines their achievement. Waivers that permit these students to return to regular classes and receive extra help have produced large increases in their test scores. This option should be available for all school districts.

These commitments are historic steps toward ensuring that young people with the greatest needs receive the best our schools and training programs can give them, and that all children reach their highest educational potential.

In a phrase, we want to swap red tape for results.

The Federal Government's Financial Role

State and local Governments provide more than 90 percent of education funding. They should continue to bear that lion's share of the load. The Federal financial role is limited and has even declined, but it is still important. That role is:

-- to promote National education equity by helping our poor children get off to a good start in school, giving disadvantaged and handicapped children extra help to assist them in their school years, ensuring accessibility to a college education, and preparing the workforce for jobs;

-- and second, to provide research and development for programs that work, good information on the real performance of students, schools, and states, and assistance in replicating successful state and local initiatives all across the United States;

We understand the limits imposed on new spending by the Federal deficit and the budget process. However, we urge that priority for any further funding increases be given to prepare young children to succeed in school. This is consistent with the President's recommendation for an increase in the number of children served by Head Start in this year's budget. If we are ever to develop a system that ensures that our children are healthy and succeed in school, the Federal Government will have to play a leading role.

Further, we urge that the Congress not impose new Federal mandates that are unrelated to children, but that require States to spend state tax money that could otherwise go to education.

COMMITMENT TO RESTRUCTURING

Virtually every State has substantially increased its investment in education, increased standards, and improved learning. Real gains have occurred. However, we still have a long way to go. We must make dramatic improvements in our education system. This cannot be done without a genuine, National, Bipartisan commitment to excellence and without a willingness to dramatically alter our

system of education.

The President and the Nation's Governors agree that significant steps must be taken to restructure education in all states. We share the view that simply more of the same will not achieve the results we need. We must find ways to deploy the resources we commit to education more effectively.

A similar process has been going on in American manufacturing industry over the last decade with astonishing results: An increase in productivity of nearly 4 percent a year.

There are many promising new ideas and strategies for restructuring education. These include greater choice for parents and students, greater authority and accountability for teachers and principles, alternative certification programs for teachers, and programs that systematically reward excellence and performance. Most successful restructuring efforts seem to have certain common characteristics.

-- a system of accountability that focuses on results, rather than on compliance with rules and regulations;

-- decentralization of authority and decision-making responsibility to the school site, so that educators are empowered to determine the means for achieving the goals and to be held accountable for accomplishing them;

-- a rigorous program of instruction designed to ensure that every child can acquire the knowledge and skills required in an economy in which our citizens must be able to think for a living;

-- an education system that develops first-rate teachers and creates a professional environment that provides real rewards for success with students, real consequences for failure, and the tools and flexibility required to get the job done; and

-- active, sustained parental and business community involvement.

Restructuring efforts are now underway in many states. The Nation's Governors are committed to a major restructuring effort in every state. The Governors will give this task high priority and will report on their progress in one year.

ASSURING ACCOUNTABILITY

As elected chief executives, we expect to be held accountable for progress in meeting the new National goals and we expect to hold other accountable as well.

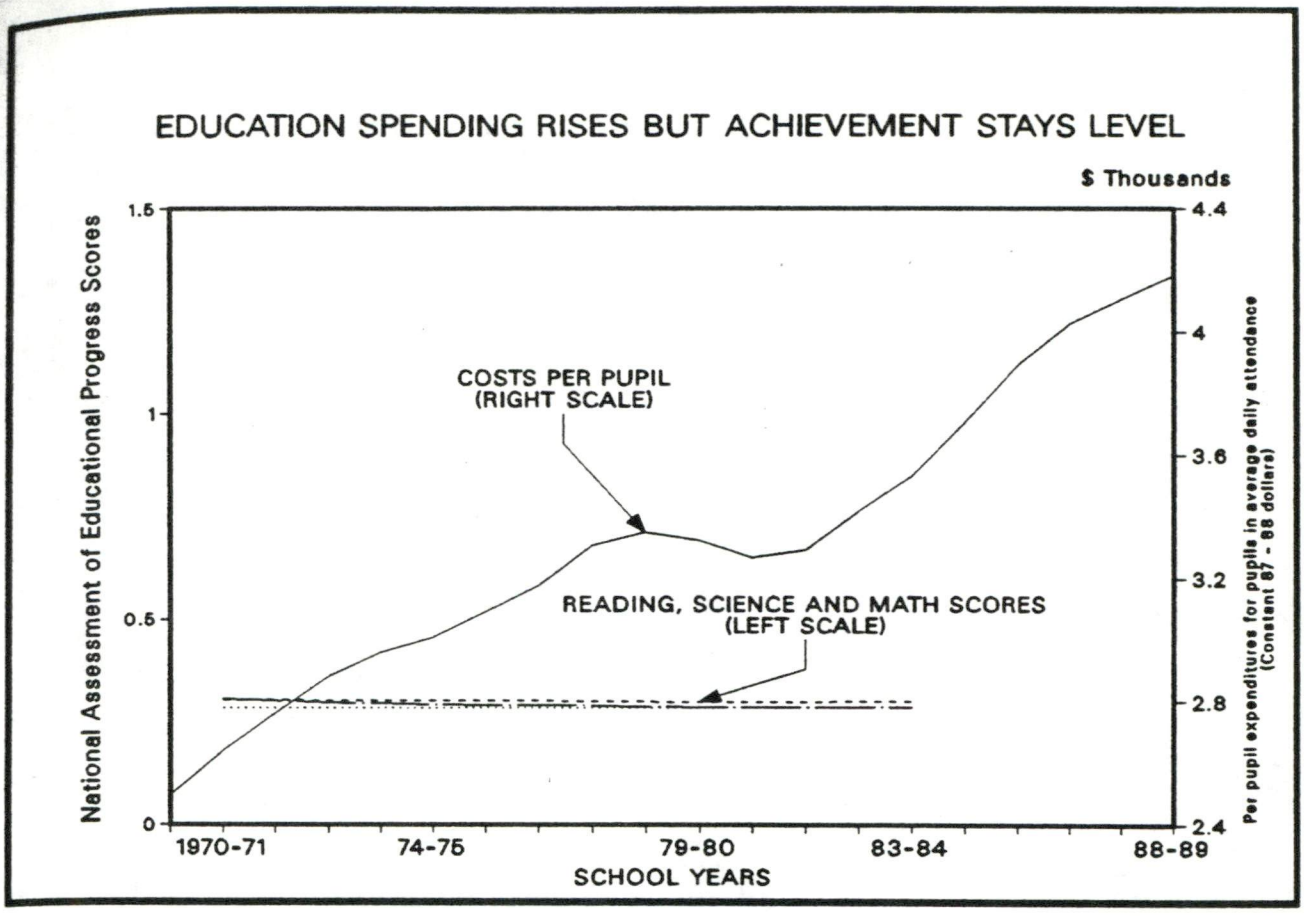
When goals are set and strategies for achieving them are adopted,

we must establish clear measures of performance and then issue annual Report Cards on the progress of students, schools, the states, and the Federal Government.

Over the last few days we have humbly walked in the footsteps of Thomas Jefferson. We have started down a promising path. We have entered into a compact -- a Jeffersonian compact to enlighten our children and the children of generations to come.

The time for rhetoric is past; the time for performance is now.

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The improvements necessary for American education require cooperation between all levels of government, full involvement of parents and participation of the business sector, careful definition of where increased spending may be beneficial, a much stronger focus on accountability for results, and development and use of good information from research and statistics on what progress is being made and where better strategies are needed.

THE FEDERAL ROLE IN EDUCATION

The principal Federal role in education is to identify and inform the public of the strengths and weaknesses of the system; to highlight ways to make improvements; and, where possible, to encourage innovation and constructive change. "A Nation at Risk" is an example of how the Federal Government has carried out this role in the past. In his first year in office, President Bush exercised leadership by his frequent personal expressions of concern and commitment, by transmitting to Congress the Educational Excellence Act, by creating a President's Educational Policy Advisory Committee and by convening the President's Education Summit With Governors. These initiatives are discussed further below.

The Federal Government also plays a limited, but important, role in education finance. It supports educational research and statistics to describe the educational system and its problems and help point the way toward improvement. Substantial funding is provided for programs targeted on aid for the disadvantaged and the handicapped. Low income persons seeking higher education overcome financial barriers with Federal grants, and with subsidized loans and job assistance.

Just three months after assuming office, President Bush forwarded to Congress a request for over $400 million in new funding for a series of important new initiatives in education. In the 1991 budget, his first full budget, the President proposes major increases for education programs. The 1991 budget requests for

education activities are larger than any ever passed by Congress.

The President's Educational Policy Advisory Committee

Recognizing the need for advice on educational issues, the President appointed a national advisory committee. This committee is headed by the chief executive officer of a major corporation and includes other business leaders, university presidents, state officials, the leaders of the teacher unions, representatives of other education interests and of parents, teachers, school administrators, and the media.

Unlike many other Federal advisory bodies, this one will not just write another report and disband. The President's goal is to have a continuing source of diverse and expert advice and comment on education issues, options for addressing those issues, and insights into appropriate Federal involvement in education.

The Education Summit

There has rarely been a more dramatic example of how the Federal leadership role in education can be carried out than the historic President's Education Summit With Governors. The critical nature of the education problem and its significance to national policy was underscored for the Nation when, on September 27–28, 1989, the President convened the Cabinet and the Governors to address American education.

The President and the Governors defined their central concern to be the "significant and sustained educational improvement" of our school children. They noted many encouraging signs of change in education since 1983. They agreed, however, that educational achievement among all segments of the population is too low to sustain the pace of improvement in the quality of life that each generation of Americans has wanted and has achieved for the next. They recognized that inadequate educational achievement also threatens our ability to compete successfully in the rapidly changing world economy.

The President and the Governors reached four primary agreements at the Summit meeting:

- to establish a process for setting national educational goals;
- to seek greater flexibility and enhanced accountability in the use of Federal resources to meet the goals;
- to undertake a major State-by-State effort to restructure the education system; and
- to report annually on progress in achieving the goals.

Areas identified in the Joint Statement for consideration for national goals were:

- the readiness of children to start school;
- the performance of students on international achievement tests, especially in math and science;
- the reduction of the dropout rate and the improvement of academic performance, especially among at-risk students;
- the functional literacy of adult Americans;
- the level of training necessary to guarantee a competitive workforce;
- the supply of qualified teachers and up-to-date technology; and
- the establishment of safe, disciplined and drug-free schools.

The Summit commitment to flexibility and accountability will require legislation. States would be able to obtain waivers of certain statutory provisions in education, training and related programs if they can show that such waivers would lead to higher achievement levels for the target populations. Those Federal rules that are essential to assure service to current target populations (the disadvantaged, the handicapped, the unemployed) could not be waived.

The President's 1991 budget policies reflect careful examination of how best the Federal Government can contribute to supporting the Summit agreements; help States and the schools achieve the national goals and improve the achievement of our children; and measure and report on progress.

III.B. EXPANDING THE HUMAN FRONTIER—SPACE AND BIOTECHNOLOGY, AND THE SUPERCONDUCTING SUPER COLLIDER

Since the beginning of civilization, humankind has sought to explore the frontier and increase its knowledge of the world. Humans have endeavored to discover the innermost secrets of living cells, indeed, to discover what particles make up all matter; and to explore our world from the deepest oceans to the outermost boundaries of our solar system and beyond. Today there are unprecedented opportunities to expand the frontier of knowledge and to expand human presence and activity. The budget places a priority on three of the most exciting frontiers now being explored: space, to unlock the secrets of the universe; biotechnology, to unlock the secrets of life itself and apply them for the benefit of all; and high-energy physics, including the development of the Superconducting Super Collider, to unlock the secrets of matter and energy.

EXPANDING THE HUMAN FRONTIER—FUNDING SUMMARY

(Dollar amounts in millions)

	Budget Authority			
	1990 enacted	1991 proposed	Dollar change	Percent change
Understanding and Exploring Space: NASA	12,323	15,239	+2,916	+24
Improving Productivity and Quality of Life: Biotechnology	3,364	3,579	+213	+6
Unlocking the Secrets of Matter and Energy: High Energy Physics and the Superconducting Super Collider	1,139	1,315	+176	+15

UNDERSTANDING AND EXPLORING SPACE: NASA

The exploration of space has benefits for the United States that go far beyond the quantifiable. There are specific payoffs in the form of new materials, technological discoveries and microgravity research. The eventual commercialization of space will stimulate economic growth and improved life on Earth. But no price can be put on the lifting of the spirit of people everywhere, like that which occurred at the time of the Apollo landings on the Moon. No value can be calculated for the wonder engendered by the pictures of Jupiter, Saturn, Uranus and, in August of 1989, of Neptune sent back over millions of miles by Voyager. And no quantitative measure of any kind can capture the benefit of expanding human horizons, human dreams, and the human domain.

The key to developing space successfully will be stable and sustainable funding for a balanced Federal program of science, applications, and manned space activities, coupled with encouragement by the government of develop-

ment by the private sector of the commercial potential of space. The 1991 budget is concrete evidence of the firm commitment by the President to a continuing, active and exciting American presence in space—indeed, to America's leadership in space science and exploration.

The 1991 budget proposes to allocate $15.8 billion for space activities, including $15.2 billion for the National Aeronautics and Space Administration (NASA), an increase of $2.8 billion or 22 percent. NASA's total budget of $15.2 billion represents an increase of $2.9 billion or 24 percent over 1990. This is the largest increase for any major agency of the Government. It represents a commitment to a brighter future.

THE U.S. CIVIL SPACE PROGRAM

The U.S. civil space program has made major advances and achieved stunningly ambitious goals since it was created four decades ago.

In unmanned planetary exploration, U.S. spacecraft have made essentially a "grand tour" of the major planets in our solar system and have landed unmanned vehicles on Mars to explore its surface. In astronomy, U.S. orbiting observatories have given us a window on the stars and into the creation of the universe. This window will be enlarged, by several orders of magnitude, with the long-awaited launch in 1990 of the first of the orbiting "Great Observatories", the Hubble Space Telescope. Earth observations satellites have given us a wealth of information about our planet—information that will assist us in understanding and solving our most serious environmental problems.

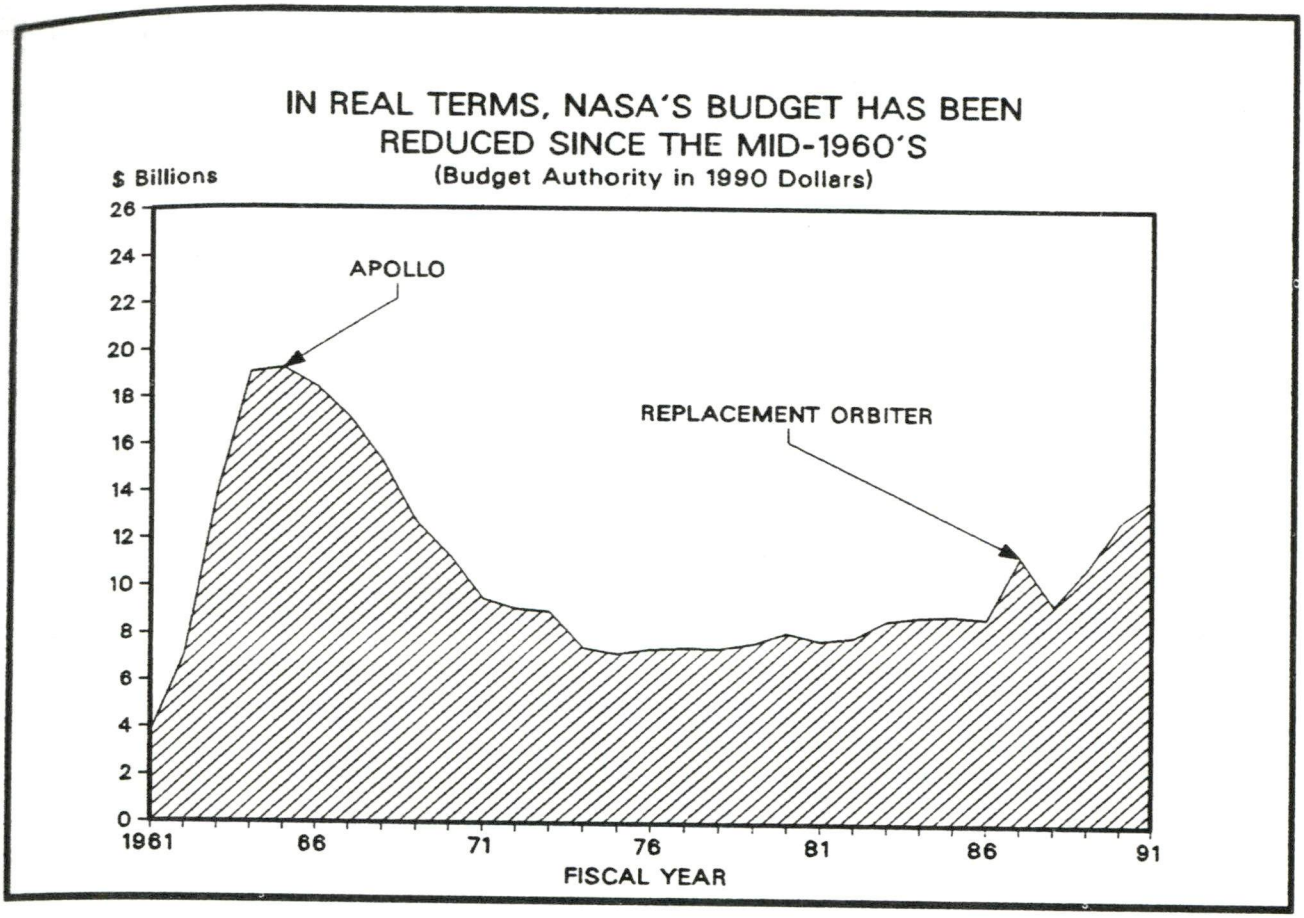
In 30 years, the progress of manned space flight has been truly amazing: the time from the first suborbital flight by Alan Sheppard to the first steps by humans on another heavenly body—the Moon—was less than a decade. This was followed by the development of the world's only manned reusable space vehicle, the Space Shuttle. This versatile vehicle can launch satellites, retrieve satellites for repair, and be used as an orbiting laboratory. Today, the United States, with its international partners, is developing the Space Station Freedom, which—when it is launched in the mid-1990s—will be the world's first permanently-manned microgravity and life sciences laboratory. It will eventually have the capability to service satellites in orbit and to serve as a way station on the journey to the Moon and Mars. Despite these remarkable successes, the United States has reduced over time its funding of the space program. The following chart illustrates the historical pattern of Federal funding for NASA.

As the figure shows, funding for space activities rose and fell precipitously during the Apollo era, then remained level during the 1970s. Funding for space activities is now rising again with the resumption of Space Shuttle flights and with the development of Space Station Freedom. Funding for space science has remained relatively stable over this period, with some increases in recent years.

The benefits of space for the U.S. economy and society are numerous and substantial. For example, the satellite communications industry is a direct result of the development of space communications technology. "Live via satellite" would not be possible today without the early Federal investment in space. As evidenced by a wide variety of other advances—from new lightweight materials for aerospace and other applications, to life-saving breathing equipment used by firemen, to long-lived, micro-miniaturized electronics now used in medical equipment such as pacemakers—the space program continues to create new business opportunities and to contribute to the economy.

SPACE AND THE 1991 BUDGET

The 1991 budget provides major increases for space activities—including research, development, and operations—to meet four broad objectives, all of which are important to maintaining the Nation's world space leadership. These areas are: (1) building transportation infrastructure; (2) expanding the space frontier through manned exploration; (3) using space to increase our scientific understanding; and (4) developing the commercial potential of space. The following table shows the level of funding proposed in the 1991 budget for each of these four objectives, as well as for Space Station Freedom (which supports all of the objectives) and for operational activities.



THE BUDGET CALLS FOR A 22 PERCENT INCREASE FOR FEDERAL CIVIL SPACE ACTIVITIES

(Dollar amounts in millions)

Objective	Budget Authority			
	1990 estimate	1991 proposed	Dollar change	Percent change
Building transportation infrastructure	7,182	8,236	+1,054	+15
Expanding the space frontier through manned exploration	859	1,267	+408	+47
Using space to increase our scientific understanding	2,718	3,311	+593	+22
Space Station Freedom	1,928	2,627	+699	+36
Developing the commercial potential of space	61	106	+44	+72
Federal operational activities	243	258	+15	+6
Total, all agencies	12,991	15,805	+2,813	+22
Total, NASA	12,322	15,239	+2,917	+24

Building Aeronautics and Space Transportation Infrastructure

The National Space Policy mandates that the nation maintain a balanced and flexible space transportation infrastructure. No other space objective would be achievable without safe, reliable space transportation. Historically, the Federal Government has developed, built, maintained and operated the nation's space transportation systems—both expendable launch vehicles and the Space Shuttle. Today, however, that is changing. Commercial firms are providing expendable launch vehicle services for both government and commercial payloads. The following table illustrates the level of Federal funding proposed for fiscal year 1991 to meet the space transportation objective.

The budget proposes funding for Space Shuttle production and operations of $4.2 billion, an increase of $752 million, or 22 percent, over 1990. This funding will support the launch, mission, and landing operations for 10 Shuttle flights planned for 1991, plus the continued acquisition of long-lead spare parts, and support for Shuttle payloads.

THE BUDGET INCLUDES FUNDING FOR 10 SHUTTLE FLIGHTS IN 1991

(Dollar amounts in millions)

	Budget Authority			
	1990 estimate	1991 proposed	Dollar change	Percent change
Space Shuttle production/Shuttle improvements	1,120	1,302	+183	+16
Space Shuttle operations	2,319	2,889	+571	+25
Space transportation capability development	504	683	+179	+36
Expendable launch vehicle (ELV) services [1]	98	131	+33	+34
Tracking and data acquisition	1,096	1,002	−94	−9
Aeronautics R&D [2]	450	512	+62	+14
Facilities and program management	1,596	1,716	+120	+8
Total	7,182	8,236	+1,054	+15

[1] Excludes ELV's being purchased in support of robotic science missions for exploration.
[2] Excludes R&D for the National Aerospace Plane program.

The Space Shuttle.—The Space Transportation System (STS) is composed of the Space Shuttle fleet, currently three orbiters with a fourth under construction, and the associated infrastructure (such as launch pads, communications and tracking, and orbiter processing and assembly facilities). The Shuttle is the most versatile space launch vehicle in the world. It is a reusable, multipurpose vehicle that launches and retrieves satellites, and provides an orbiting laboratory for microgravity and life sciences. Techniques for manufacturing commercially-valuable products, such as medical diagnostics and therapeutics, have been tested successfully aboard the Shuttle.

However, the Shuttle is also very complex and expensive to operate. For example, the three main engines of the Shuttle have many thousands of moving parts, each of which must function perfectly during each launch. In order to support its reusable elements, the STS requires a large infrastructure, both facilities and personnel, to maintain and operate it.

Prior to the Challenger accident, funding for the R&D associated with improvements in space transportation was declining and funding for operations was increasing as the number of Shuttle missions increased. The Challenger accident made it clear that continued funding for R&D to maintain and improve the safety, reliability and performance of the

Shuttle is vital. This fact is reflected in the 1991 budget by the continuation of the Advanced Solid Rocket Motor program, which will develop and produce a new, more reliable generation of solid rockets, and by continued funding of other necessary Shuttle improvements, such as the Advanced Turbopump for the Shuttle main engine. Within the total for Shuttle Production, the budget proposes $947 million for these elements, an increase of $165 million over 1990.

Expendable Launch Vehicles (ELVs).—The National Space Policy requires that civil Federal agencies encourage, to the maximum extent feasible, a domestic commercial launch industry by contracting for necessary ELV launch services from the private sector. This policy not only encourages and supports the growing commercial space launch industry, but also ensures the availability of a balanced and cost-effective mix of space launch vehicles. NASA no longer maintains or operates its own ELVs. In 1991, NASA will continue the purchase of ELV services for a number of important science payloads, including the Comet Rendezvous/Asteroid Flyby and Cassini missions.

Aeronautics R&D.—The goal of NASA's aeronautical R&D program is to conduct research and develop technology to strengthen U.S. leadership in civil and military aviation. NASA also operates unique aeronautical research and testing facilities. The 1991 budget reflects a strong program of fundamental research and technology, including the continuation of efforts aimed at resolving critical environmental issues associated with high-speed flight. In addition, NASA will continue the five-year wind tunnel revitalization program to modernize NASA's major wind tunnels for productive use well into the next century.

Expanding the Space Frontier Through Manned Exploration

The President has proposed that the United States undertake an ambitious mission of manned exploration of the solar system. This will not be a journey of 10 or even 20 years, but one that will continue for decades, perhaps even centuries. This journey will require a long-term commitment—of resources, both financial and human, and of national will.

The Government has taken the first step toward expanded manned exploration with the development of Space Station Freedom. The 1991 budget also funds a new initiative to support the robotic science missions and to develop the "pacing technologies" that will be needed in the coming decade to enable the next steps in the journey. Over the coming months and years, the National Space Council will be coordinating the development of the overall strategy for pursuing the goal of space exploration.

Space Station Freedom.—Space Station Freedom will serve a wide variety of purposes: it will be a microgravity and life sciences laboratory, a testbed for new technologies in areas such as life support and robotics, a platform for astronomical and Earth observations, and a node for on-orbit servicing of satellites. Freedom will also be the cornerstone of the President's exploration initiative in the next decade. Assembling and operating Freedom in space will produce advances in knowledge about how man can live and work in space for long, continuous periods of time. This knowledge is critical for any future journeys.

For 1991, the budget proposes a total of $2,627 million to continue Space Station Freedom. This is an increase of $699 million, or 36 percent above 1990. It will provide for the critical transition from design to actual fabrication of the first long-lead time hardware elements.

CONSTRUCTION WILL BEGIN ON SPACE STATION FREEDOM IN 1991

(Dollar amounts in millions)

	Budget Authority			
	1990 estimate	1991 proposed	Dollar change	Percent change
Space Station Freedom:				
Research and development	1,750	2,431	+681	+39
Facilities and program management	178	196	+18	+10
Total, Space Station Freedom	1,928	2,627	+699	+36

Freedom is being developed with our international partners and is the largest international R&D project ever undertaken. Over the past several months, the program has been revised as it became clear that the Congress would not provide the resources that the President requested for 1990. The result of this reevaluation has been to delay the availability of some capabilities (e.g., satellite servicing) until the Space Station is completely assembled, and to eliminate some high development cost items (e.g., all A-C power system). The revised schedule calls for the first element launch in 1995, permanently manned capability in 1997 and completion of assembly in 1999. NASA is now conducting an analysis of how Freedom can be best used to support the President's exploration initiative.

Expanding the Space Frontier Through Manned Exploration: the Mission Back to the Moon and to Mars.—The President has lifted the sights of the space program with his call for the establishment of a manned presence on the moon and a manned mission to Mars. The budget reflects the Administration's commitment to this mission by proposing an increase of $408 million, or 47 percent above fiscal year 1990 levels, for space exploration activities. The budget includes major increases for launching robotic science missions, accelerating the development of the technology and advanced launch systems to support expanded exploration, and proceeding with technology development for the National Aerospace Plane (NASP).

A 47 PERCENT INCREASE FOR EXPLORATION ACTIVITIES WILL SUPPORT THE MOON/MARS INITIATIVE

(Dollar amounts in millions)

	Budget Authority			
	1990 estimate	1991 proposed	Dollar change	Percent change
Expanding Exploration of Space:				
Robotic Science Missions:				
Life sciences	50	80	+30	+60
Unmanned Moon-Mars missions	187	228	+41	+22
Technology Development:				
Space power (SP-100):				
National Aeronautics and Space Administration	10	30	+20	+200
Department of Defense	20	20	—	—
Department of Energy	30	51	+21	+70
Subtotal, SP-100	60	101	+41	+68
Advanced Launch System:				
National Aeronautics and Space Administration	—	44	+44	N.A.
Department of Defense	111	85	−26	−23
Subtotal, Advanced Launch System	111	129	+18	+16
Other Technology Development	191	386	+195	+102
Mission studies	(15)	37	+22	+147
National Aerospace Plane:				
National Aeronautics and Space Administration	59	119	+60	+102
Department of Defense	192	158	−34	−18
Subtotal, National Aerospace Plane	251	277	+26	+10
NASA Facilities and Program Management	9	28	+19	+211
Total, Exploration Initiative	859	1,267	+408	+47

N.A.: Not applicable.

Robotic Science Missions.—Prior to initiating a manned mission to the Moon or Mars, important information must be gathered about those bodies—their surfaces, the atmosphere of Mars—so that manned missions can be carried out with maximum safety and effectiveness. This information is best obtained with robotic science missions. The 1991 budget proposes a significant enhancement for the Mars Observer, scheduled for launch in 1992. This enhancement will support the modification of systems and software to provide upgraded high-resolution image processing and allow more information on the Martian surface and atmosphere to be sent back to Earth. In addition, the budget provides funding to complete the definition studies and cost analyses for a new mission, the Lunar Observer, which would be initiated in 1992 for a 1996 launch date. Modeled after the Mars Observer, the Lunar Observer will provide valuable information about areas of the Moon never before examined.

Life sciences represent another critical area of research that must be undertaken in order to understand and potentially counteract the effects of long-term space flight on humans. The 1991 budget proposes $80 million for biological and space biomedical research. Within this total, funding will be provided to complete the definition for the Lifesat program. Lifesat will be a series of reuseable satellites designed to carry living specimens into orbit, to monitor and study critical parameters such as radiation exposure, and to return the living specimens to Earth for analysis. Following the com-

pletion of definition in 1991, Lifesat development will be initiated in 1992 with the first launch in 1994.

Developing New Technologies for the Future.—There are a number of technology areas that must be investigated if future missions to the Moon and Mars are to be undertaken. These "pacing" technologies include transportation, space power, and life support. The 1991 budget proposes to increase ongoing technology development programs in transportation and space power, and to make additional investments in new areas such as nuclear propulsion and life support.

- Transportation.—The technologies inherent in the Shuttle and in the current generation of ELVs are now between 20 and 40 years old. In addition, both the Shuttle and current ELVs emphasized performance over cost-effectiveness. Thus, there is little chance of significantly reducing the cost-per-pound to Low-Earth-Orbit without major advances in launch vehicle technology. More cost-effective transportation systems would lower the cost of any future exploration initiative. In addition, lower cost, reliable transportation systems will be needed if the private sector is ever to fully exploit the benefits of space.

  To address these issues, the 1991 budget proposes $277 million in total ($119 million for NASA and $158 million for DOD) for the continued development of the National Aerospace Plane (NASP), a joint NASA-DOD project that will develop and demonstrate technologies for hypersonic flight, including single-stage-to-orbit. The 1991 budget also proposes $129 million for both NASA and DOD to continue their technology development for the Advanced Launch System (ALS). The ALS technology program will define concepts and develop technology applicable to a new family of launch vehicles. The long-term goal of the program is to produce a family of lower-cost, reliable and flexible launch vehicles.

- Space Power.—More efficient and high-energy power sources that are not dependent on sunlight will be necessary both for long-term missions in space and for manned bases on planetary surfaces. One option is nuclear power. The SP-100 program being carried out jointly by NASA and the Departments of Defense and Energy is designed to test the concept of the generation of electricity by a nuclear reactor for space applications. The budget proposes to increase funding for SP-100 by 68 percent, to a total of $101 million.

- Other Technologies.—There are a number of other important technologies in which investments must be made now to support the exploration initiative. These technologies have the potential to significantly reduce the cost and risk of future manned exploration. Among these are propulsion, including nuclear propulsion, life support, and flexible structures (both in space and on planetary surfaces). The 1991 budget proposes funding of $386 million for these technologies, more than double the 1990 level. Within this total, NASA will initiate a new effort to seek innovative technological approaches to the challenges of manned space exploration. In addition, the agency will be reviewing its current technology programs with the intent of revising and refocusing these programs to support the President's goals.

Using Space to Increase Scientific Understanding

Perhaps the greatest benefit derived to date from our space activities is the United States' strong and continuing tradition of world leadership in space science—most recently and vividly demonstrated by the Voyager Neptune encounter in 1989. The U.S. and the world space science communities are anticipating an exciting new era of space science missions for planetary exploration, astronomy and Earth observations over the next decade. The budget proposes to increase funding for these activities by $593 million, or 22 percent, over 1990 levels.

USING SPACE TO INCREASE SCIENTIFIC UNDERSTANDING

(Dollar amounts in millions)

	Budget Authority			
	1990 estimate	1991 proposed	Dollar change	Percent change
Physics and astronomy	861	985	+124	+14
Planetary exploration	278	382	+104	+37
Earth observations:				
Earth observation system precursors	415	376	−39	−9
Earth probes	—	25	+25	N.A.
Earth observation system (EOS)	—	235	+235	N.A.
Subtotal, Earth observations	415	636	+221	+53
Other science programs	506	559	+53	+10
Facilities and program management	658	749	+91	+14
Total	2,718	3,311	593	22

N.A.: Not applicable.

This new era of space science advancement has already begun with the successful launches in 1989 of the Magellan mission to Venus, the Galileo mission to Jupiter, and the launch of the Cosmic Background Explorer aboard an ELV. Activities planned in 1990 include the planned launches of the Hubble Space Telescope and the Gamma Ray Observatory, two of the "Great Observatories", and the international Ulysses mission to explore the Sun.

The 1991 budget will also allow for the continuation of the development of important projects such as the Advanced X-ray Astrophysics Facility, planned for launch in 1995, the Comet Rendezvous/Asteroid Flyby and the Cassini mission to Saturn. The budget will also provide support for thousands of researchers and students to acquire and analyze data from previously launched missions.

Understanding and Observing Global Change

Earth Observations.—The budget proposes over $1 billion for all agencies to extend U.S. leadership in understanding global environmental change. This represents a 57 percent increase over 1990. There are a number of NASA activities that will make major contributions to the U.S. Global Change Research Program (USGCRP). This coordinated multi-agency program is the world's most ambitious global change research effort. At the Paris Economic Summit, the President asked the other industrialized nations to join the U.S. in this endeavor. The complementary space-based and ground-based research and observation effort is designed to develop the knowledge and data needed to support and improve policy decision-making on issues related to global change (e.g., global warming, ozone depletion). (The USGCRP is also discussed in the sections on Enhancing Research and Development, and Protecting the Environment).

NASA is a major participant in the USGCRP through its Mission to Planet Earth. NASA will develop and launch a number of satellites and instruments, including TOPEX (to analyze surface ocean circulation) and the Upper Atmosphere Research Satellite (UARS) (to analyze the chemistry of the upper atmosphere). The 1991 budget proposes a major new program, the Earth Observing System (EOS), which is a series of space-based instruments and platforms, developed by the U.S., the Europeans and the Japanese. EOS will be critical to improving our understanding of Earth processes and global change since it will provide the first opportunity to collect data simultaneously on a multitude of different features of the planet's environment.

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The 1991 budget proposes development of two series of Earth-orbiting platforms, each of which will have a number of instruments designed to collect a broad spectrum of environmental data related to global change (including global warming, drought and other phenomena). The first platform is planned for launch in 1998. In addition, NASA will continue to develop a comprehensive data management system (EOSDIS) that will support a wide range of research focused on studying Earth as an integrated system, and will ensure that scientists have timely access to Earth observations data.

In addition to EOS, the 1991 budget will initiate the development of Earth Probes, a series of smaller instruments focused on specific, high-priority data needs, including ozone depletion. The first Earth Probe will be launched in 1994. Along with TOPEX and UARS, Earth Probes will provide significant near-term scientific benefits, and will enable the testing and validation of EOSDIS before the launch of the first EOS platform.

Developing the Commercial Potential of Space

The commercial space industry today consists primarily of communications satellite manufacturers (which is a stable mature sector) and launch service providers (which is a new sector). There are also selected commercial efforts in areas such as microgravity. The commercial space industry represents a promising outgrowth of the nation's space program.

The commercial space industry has grown rapidly and has drawn hundreds of millions of private sector dollars into private space endeavors. For example, there are now many commercial launch providers and new launch vehicles, based on new design concepts such as air-launched systems and hybrid engine designs, being developed by firms willing to shoulder the risks of space. In addition, states such as Hawaii and Florida have started investing their own funds in the development of commercial space launch infrastructure.

As overseer of the growing commercial space transportation industry, the Department of Transportation (DOT) is responsible for identifying and changing government policies and regulations that inhibit the development of a robust commercial launch sector and for regulating and licensing commercial launches and launch sites. DOT now cites over 33 U.S. and foreign commitments to launch satellites on U.S. commercial launch vehicles.

The 1991 budget will continue the Administration's strong support for the commercialization of space. NASA will allocate $229 million to continue to procure all of its expendable launch vehicle services from private launch service providers. In addition, the budget will provide $101 million for NASA's Office of Commercial Programs, including new funding for a special initiative through its Centers for the Commercial Development of Space (CCDSs) to provide flight opportunities for innovative experiments in microgravity. The CCDSs are cooperative ventures between universities and companies that investigate and develop new commercial uses of space. The 1991 budget also provides nearly a 7 percent increase, to a total of $4.5 million, for DOT's Office of Commercial Space Transportation.

Federal Operational Activities

The 1991 budget proposes $258 million for the Department of Commerce satellite programs. This includes $174 million for the development and launch of replacement satellites for the current polar-orbiting and geostationary weather satellite systems and $47 million to operate those systems. The Administration is committed to operating the Land Remote Sensing Satellites (Landsats) currently in orbit (Landsats 4 and 5) as long as they function, and to completing the development and launch of the next satellite (Landsat 6). For 1991, $37 million is requested for the launch of Landsat 6. No funds are proposed for the operation of Landsat 6 because these costs will be borne by the contractor, the Earth Observation Satellite Company. No further funding is requested for Landsats 4 and 5 because these satellites are expected to cease operating in 1990.

The Administration is considering options for continuing Landsat-type data after Landsat 6. No funds are required in 1991 for additional satellites, consistent with the expected lifetime of Landsat 6. The National Space Council will conduct a review of the management and configuration of a follow-on system, and will report expeditiously to Congress on the outcome of its deliberations.

III.H. BRINGING HOPE TO DISTRESSED COMMUNITIES

THE PROBLEM: UNEVEN PROSPERITY

The Nation's long economic expansion following the recession in the early 1980s has been characterized by sustained economic growth, low inflation, and growing employment and productivity. The economic expansion has also meant a growth in family income and a decline in the poverty rate, from 15.2 percent in 1983 to 13.1 percent in 1988. This decrease meant 3.4 million fewer Americans, including 1.3 million children, were living in poverty in 1988.

Yet not everyone has shared equally in the economic recovery. Some communities have suffered local economic shocks, such as plant closings. Some old farm, mining, and mill communities have lost major employers as the economy has restructured. Communities on the Nation's Southern border have experienced an influx of poor legal and illegal immigrants seeking economic opportunities in this country that are unavailable in their own.

The problem of uneven prosperity is perhaps most acute and persistent in the heart of some of the Nation's large, growing, and economically most vital metropolitan areas, where isolated inner city populations have not benefitted from the opportunities that American society offers. Service and manufacturing jobs have moved toward the fringes of urban areas and demand ever higher skills and education. Those living in the older centers often have not been well-served by schools and transportation systems, and thus have been denied the chance to share in the general growth and prosperity.

THE NEW PATTERN OF POVERTY

The poverty rate has been cut nearly in half since the 1960s. Among the elderly this decline has been particularly significant due in considerable measure to help from social security and other income transfer programs. For many families, poverty is a transitional state, but for others poverty can extend over several generations, giving it a seemingly intractable character. Several demographic and socio-economic changes help to explain this pattern.

Twenty-five years ago, nearly 30 percent of the heads of poor families worked full-time, all year round. Today that percentage is 16 percent. The poverty rate among these families declined from 7.4 percent to 2.9 percent between 1963 and 1988.

Clearly, working families have made progress. However, changes in family composition have increased the numbers of families who do not work. In 1963, 32 percent of poor families with children were headed by a female; in 1988, this percentage had nearly doubled to 61 percent. While families with children and a female head have always experienced high rates of poverty, they now constitute a growing core of the persistently poor. This is not because of a higher rate of poverty among them but simply because of the increasing number of such family households in the general population. In fact, the number of poor female-headed families with children has increased almost every year since the mid-1960s. Even as the current expansion was increasing employment and median income, the number of poor families with children and a female head increased nearly 8 percent.

The concentration of social and economic problems in the poorest neighborhoods has raised fears that a new "underclass" culture has come to dominate life in those areas. While the meaning of this term is controversial, researchers have identified as "underclass" high-poverty neighborhoods characterized by excessive school dropout rates, a high incidence of female-headed families, welfare

dependency, and joblessness or irregular employment among adult males. By one measure using the 1980 Census, 880 of these "underclass" dominated neighborhoods could be identified, with a combined population of 2.5 million. This was more than triple the population living in such neighborhoods 10 years earlier.

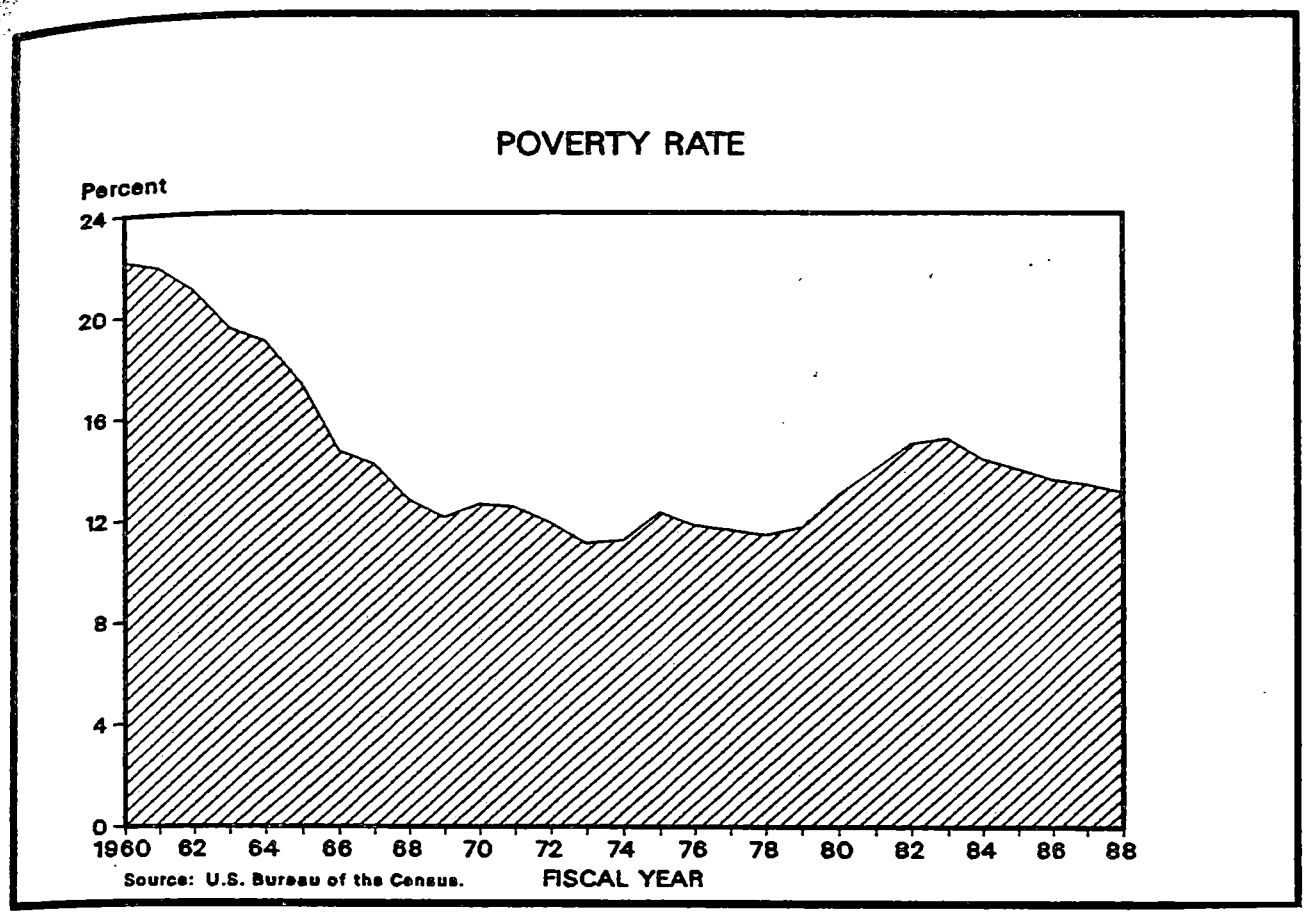
Such neighborhoods are concentrated in a relatively small number of our Nation's largest cities. Over half of the urban poor living in high-poverty tracts live in seven large cities—New York, Chicago, Philadelphia, Baltimore, New Orleans, Detroit, and Newark. Other research using more recent data to define underclass neighborhoods suggests that they may still be growing. Although the majority of households, even in these places, may subscribe to traditional American values of work and family, the struggle to live by them is made doubly difficult by the concentration of social problems and the weakness of community support.

The persistence of poor communities is a problem not only for the people who live there, but for all of American society. The costs of crime, drug use, and wasted human potential translate into a lower quality of life and lower productivity for the whole economy. In simple budgetary terms, they mean enormous public spending for welfare and to control crime and drug use instead of tax receipts from productive employment.

NEW APPROACHES NEEDED

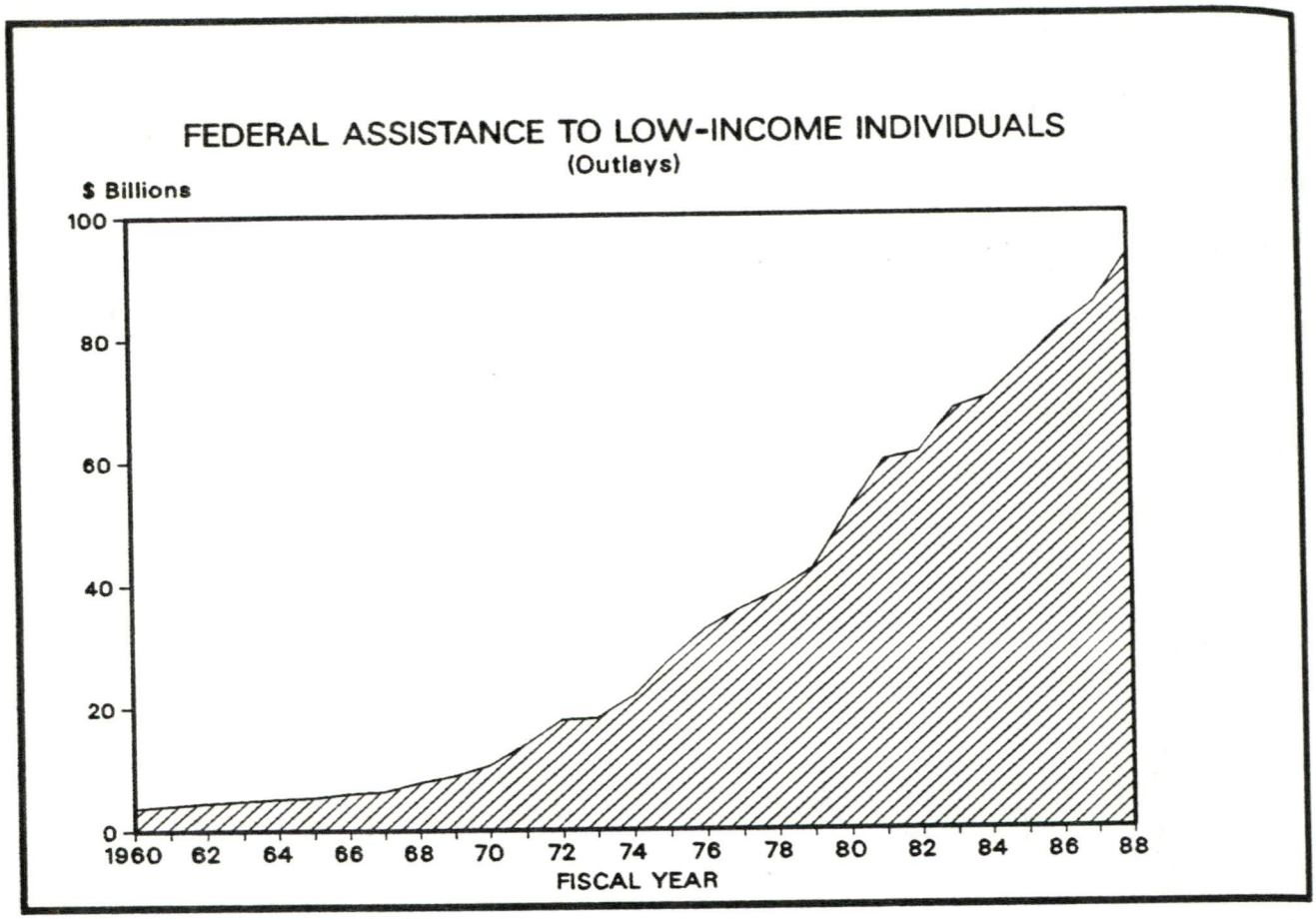
It is widely agreed that the poor must share more in the benefits of the Nation's overall economic prosperity. But how to achieve this goal has proved elusive over a long period of years. No single solution has been found to exist.

America's determination to reduce poverty has expressed itself in a wide range of Federal efforts, including transfers of cash and noncash income to families and individuals, and extensive training and education programs. This budget continues and in some cases expands these efforts. As the two graphs below show, Federal outlays for means-tested transfer programs, cash and in-kind, have grown rapidly over the past 30 years. Although the official poverty statistics overstate poverty by excluding the value of in-kind assistance, it is clear that, after a period of decline, poverty began to increase in the late 1970s and early 1980s. Despite improvement since 1983, it persists at unacceptable levels. As discussed earlier, the characteristics of those in poverty have also changed—a change that has made the problem of poverty seemingly more intractable.



In addition to direct transfer payments to individuals, and programs of education, training and services to improve employment among the disadvantaged, the Federal Government has tried, over the past three decades, a variety of community and economic development programs to revitalize neighborhoods with high concentrations of poverty. Examples are the Economic Development Administration, Model Cities and Urban Development Action Grants. Total outlays for these programs have been $150 billion over 30 years. Yet they often failed to address the root causes of poverty in the inner city—the lack of jobs and entrepreneurial opportunities among poor residents. Consequently, although many physical improvements in cities have resulted, the problem of isolated inner-city poverty, with its accompanying social problems, remains and in some respects has worsened.

While there is no consensus about what is and what is not effective in bringing about long-term change in the lives of poor families and distressed communities, lasting improvements are unlikely to occur unless people are empowered to have more control over their living environment. To restore a climate of opportunity in areas ravaged by drugs, crime, and dependency, barriers to entrepreneurship, job creation and productive economic activity must be removed or reduced. These barriers are widespread. Examples include financial and other obstacles facing welfare mothers trying to leave welfare for the workforce, regulations and tax burdens that can prevent new small business growth, and dependency-creating kinds of programs of the past.



Along with jobs, housing is a central element in any strategy to deal with poverty. And, expanding homeownership opportunities is key to any housing strategy. A home can be a platform to achieve dignity, self-reliance, and stability. People who own private property often become anchors in the community with new reasons to show concern for property values, local taxes, crime or drug abuse, and neighborhood revitalization. Low-income families need expanded opportunities to entertain the possibility of becoming homeowners. That should not be the exclusive dream of the middle class in America.

A subset of problems is posed by the homeless. Again, solutions are not self-evident or simple; they must often combine housing with services tailored to the widely-varying individual needs of the homeless. Federal efforts must combine with those of State, local and private sectors—both profit and non-profit—to create a community-level capability to deal with these problems.

Building on these principles, the President's 1991 budget offers a new initiative to aid communities and families left behind. Called "Homeownership and Opportunity for People Everywhere" or HOPE, its purposes are to: (1) expand opportunities for low-to-moderate income families to manage rental properties and eventually to own their own homes; (2) reduce or eliminate artificial barriers to the development of low-cost housing; (3) help very-low-income families struggling against dependency to achieve economic self-sufficiency; (4) address the needs of the long-term homeless for housing, intensive social services, and health care; and (5) create jobs and economic opportunities in distressed inner-city and rural areas.

Expanding Tenant Management and Homeownership Opportunities

HOPE Grants.—To help low-income families become homeowners with a stake in their communities, the Administration proposes a new

HOPE Grant Program. These grants will provide funds for resident management and homeownership in public housing, government-held vacant and foreclosed properties, and financially "distressed" properties.

HOPE grants would enable public housing residents to purchase their homes, would capitalize on the existing strengths and abilities of non-profit organizations and community-based housing development organizations, and would increase the housing resources available to the Nation's poor.

Public housing resident management and ownership is already showing some promising results. Kenilworth-Parkside, in Washington, D.C., Carr Square and Cochran Gardens, in St. Louis, and public housing communities in Nashville, Boston, and Chicago are examples. The expectation is that with tenants in control, there will be better maintenance, more rents paid on time, a decrease in people on welfare, and generally, a greater sense of pride.

HOPE Grants would provide $2.15 billion over 3 years with States, localities or non-profit organizations required to provide $1 for every $2 in Federal HOPE grant funds. These grants can be used for rehabilitation, acquisition, technical assistance, capital reserves, security, and mortgage assistance, but not for new construction. A total of $250 million would be set aside to provide replacement housing for public housing developments that convert to low-income homeownership.

Urban Homesteading.—Another means to promote homeownership is an existing Federal program called Urban Homesteading. The 1991 budget increases funding for this program; it almost doubles Urban Homesteading resources in 1990 (with a proposed supplemental transfer) and almost quadruples program resources in 1991, for a total of $50 million. The goal is to make Urban Homesteading a more significant tool for stabilizing neighborhoods and providing affordable homeownership opportunities for low-income families. This program turns over single-family FHA, VA, FmHA, and RTC-held properties to cities who then provide the properties at nominal cost to moderate-income families. Urban Homesteading funds are used to reimburse FHA, VA, FmHA, or RTC for the value of the properties given to cities. Families must renovate the properties through "sweat equity," with federally supported financing (e.g., Community Development Block Grant funds), or with other available city funds.

The budget also includes a new initiative to help tenant groups acquire multi-family properties currently held by FHA. A total of 10,000 vouchers will be provided to tenant groups wishing to take over HUD-held rental properties and turn them into homeownership cooperatives. The tenant groups can use HOPE Grant funds for rehabilitation if needed. The vouchers will be used to help the tenants pay their operating costs for 5 years.

Prepayment Strategy.—Over the next 15 years, owners of some 334,000 units of FHA-insured multifamily housing will become eligible to prepay their mortgages. These properties could be converted into condominiums/cooperatives or continue as rental properties, but with much higher rents. In either case, the properties would no longer serve low-income people without their receiving some form of assistance. The HOPE initiative proposes a three-pronged approach to protect tenants who could be adversely affected by much higher, unaffordable rents resulting from these prepayments. To fund this initiative, the budget includes $412 million in 1991 and $1.074 billion over the 1991–1993 period.

One part of this initiative proposes to give tenant groups first right to purchase and convert their buildings to homeownership, resident-owned structures, with Federal aid provided for such conversions. Tenants would receive the financial equivalent of 10 years of housing vouchers; such monies could be used for acquisition, rehabilitation, technical assistance and other uses. If tenants decide not to buy the building, a second approach is to give owners incentives not to prepay their mortgages through additional Federal subsidies to help keep rents low. And third, if owners elect to prepay and sever their relationship with HUD, HUD would protect tenants with housing vouchers, thereby helping them afford higher rents. The tenants could use these vouchers either in the same project, if it remains rental, or in another location of their choice. Owners would pay relocation fees for the tenants.

IRAs for Homebuyers.—The Federal Government provides substantial support for homeownership through the tax code and Federal credit programs. To expand homeownership opportunities for young families and first-time homebuyers, the Administration proposes the use of Individual Retirement Accounts (IRAs) for buying a home. As housing prices increase, it is often difficult for first-time homebuyers to accumulate the savings needed for a downpayment and closing costs. While moderate income families are eligible to receive tax-deferred treatment for savings through IRAs, they are not currently permitted to make IRA withdrawals without penalty for what is likely to be the biggest investment in their lives—their homes.

The HOPE initiative will help achieve homeownership by allowing first-time homebuyers to withdraw funds in their tax-deferred IRAs without penalty. The maximum amount that can be withdrawn from an IRA for a downpayment would be $10,000 and the maximum house price would be 110 percent of the average area purchase price.

FHA reforms.—If FHA is to continue to serve moderate income and first-time homebuyers, reforms must be put into effect that ensure its long-term financial solvency. The Administration's proposed reforms, many of which have just been enacted into law, represent a critical first step in this direction. One of these reforms targets FHA insurance more to first-time homebuyers by eliminating investors from participating in the program. Maintaining the expanded loan limits enacted in 1990 (almost $125,000) will also ensure that access to FHA insurance is not curtailed in high-cost market areas.

A variety of other programmatic reforms are also contemplated—including tighter mortgage underwriting criteria that will help ensure program integrity. A complete and independent actuarial study of FHA is currently underway. This report, along with others done by the private sector and GAO, will show that FHA needs to be significantly strengthened if it is to continue to advance homeownership for moderate-income families and first-time homebuyers while avoiding financial insolvency in the long run. The Administration expects to submit further changes to FHA to address its long-term financial problems after the completion of the actuarial study.

Reducing or Eliminating Barriers to Low-Cost Housing

Housing Opportunity Zones.—The 1991 budget proposes a Federal-local partnership to remove barriers to, and create incentives for, more affordable housing for low- and moderate-income families in distressed urban or suburban areas. It is similar in concept to the Administration's Enterprise Zone proposal. Under this proposal, HUD would designate 50 Housing Opportunity Zones to be chosen through a competitive process from applications by local governments.

Applicants would be selected that best identify and institute plans to remove barriers—such as unnecessarily lengthy and expensive permit and fee processes, exclusive zoning, overly restrictive building codes, rent controls, and regressive property tax burdens. In exchange, they would be eligible for exemptions from certain FHA processing requirements. They would also have a preference in receiving rental rehabilitation grants.

Criteria for the competition for designation as Housing Opportunity Zones will include (1) the extent to which city and county governments propose to reduce regulatory and other burdens on housing production; and (2) the degree to which new and rehabilitated housing will be affordable by low- and moderate-income families. Applicants could also offer low-priced land, vacant city-owned property, low-interest loans, or real estate tax abatements.

Low-Income Tax Credit.—Nationwide, rental vacancy rates remain very high—7.3 percent in the third quarter of 1989. There is no general shortage of rental housing. But there are local area exceptions. The low-income housing tax credit, just extended through December 31, 1990, and proposed for further extension through December 31, 1991 in the President's budget, can be used to supplement the goals of the Housing Opportunity Zones. The credit, which provides real estate investors tax savings over a ten-year period, is designed to encourage the new construction or rehabilitation of affordable rental housing in those areas with rental housing shortages. Credits are allo-

cated to the States, and the States—not the Federal Government—decide which areas and projects will receive the credit. States with Housing Opportunity Zones will have an incentive to target the credits to these zones.

Helping Poor Families and Elderly Become Self-Sufficient

Operation Bootstrap.—Tenant-based housing vouchers remain basic to the Administration's low-income housing policy. They provide housing choice and mobility to families, which are key elements in helping low-income renter families exert greater control over their lives. Starting in 1991, all housing vouchers (and the quite similar rental certificates) provided to welfare families and others with very low incomes must be combined with a local program to help them escape from dependency.

For families capable of working, housing assistance should be seen as a tool for helping them become part of the economic mainstream, rather than permanent support. The Family Support Act, by requiring States to enroll welfare recipients in the JOBS program, provides an opportunity to combine housing with employment counseling, training, education, child care, and the other services these families need to become self-sufficient. HUD has already conducted a demonstration in which selected local communities have put together creative and successful programs linking housing subsidies with job training and other services to housing tenants. The time has come to replicate such local efforts in more areas of the country.

Operation Bootstrap requires that local housing authorities and their local governments must demonstrate to HUD that welfare families and families with very low earnings will have access to a comprehensive program of services. HUD will monitor the progress of each jurisdiction to ensure reasonable progress towards full implementation of their Operation Bootstrap programs.

Frail Elderly Housing-Services Voucher Demonstration.—The frail elderly will constitute an increasing share of the elderly population in coming years. Frail elderly are defined as persons of at least 62 years of age who need assistance with three or more simple activities of daily living, such as eating or dressing. Not surprisingly, frail elderly are more advanced in age, usually in their seventies or eighties and beyond. A nursing home may not be needed or wanted but may be the only way to get any care at all. While the more affluent elderly can afford to pay for the in-home services they need, the very-low-income elderly cannot. The purpose of this demonstration is to test whether housing-services vouchers can cost-effectively help the very-low-income frail elderly continue to live in their homes and not be moved to nursing homes.

The 1991 budget proposes a Service-Supported Housing Voucher Demonstration for the Frail Elderly, funded at $44 million: $10 million for service payments linked with $34 million in housing assistance vouchers for 1,500 frail elderly households over 5 years. The service payments will cover 45 percent of the cost of service provision. Local housing authorities will be required to secure 50 percent of the cost of the services from their States. The elderly individual will be required to pay 10 percent of the service cost. The co-payment requirement is designed to discourage the use of unnecessary services.

Helping the Homeless

Fully Funding McKinney Act Programs for the Homeless.—The President has promised to fund fully the McKinney Act programs. The budget more than meets this promise. In 1991, "full funding" of McKinney implies funding of $727 million; the budget includes $819 million. Another $166 million is available in non-McKinney programs targeted to the homeless, bringing total spending to $985 million. Additionally, various Federal entitlement programs and various State and local block grants are available—and used—to help the homeless.

Special Homeless Initiatives.—Several initiatives are focused on target groups within the homeless who have special service needs:

- *AFDC Families in Welfare Hotels:* The budget proposes $143 million for the McKinney Act Transitional Housing Demonstration program. This program is designed to develop innovative approaches to providing housing and supportive services to homeless individuals and families who are capable of making the transition to

independent living within 2 years. The program provides interest-free advances to States, localities or non-profit groups for the acquisition and rehabilitation of facilities for transitional housing; funding for a portion of operating costs of the housing; supportive services and employment assistance programs; and technical assistance to recipients in carrying out program activities. In 1991, the budget includes a new initiative within this program to assist homeless Aid for Dependent Children (AFDC) families living in welfare hotels.

This initiative will test innovative approaches to moving these families out of their emergency shelter accommodations into more stable, transitional housing arrangements.

- *A New "SHELTER PLUS CARE" Program to Help the Homeless Mentally Ill or Recovering Substance Abusers:* The long-term homeless are not very well served by either the housing delivery system or the social service network. These individuals need intensive services and long-term supportive housing arrangements provided in a more systematic manner than is now the case. In 1991, the Administration proposes that HUD provide $247 million in housing assistance for over 8,900 homeless mentally ill or recovering substance abusers. The housing assistance will take three different forms to accommodate different housing needs: (1) rental assistance to individuals for use in a wide range of housing situations, including regular apartments, group homes, or single-room-occupancy units; (2) subsidies to non-profits who provide group home living arrangements; and (3) subsidies to landlords of single-room-occupancy buildings so they can charge affordable rents.

  In order to receive any of these housing subsidies, applicants would have to contribute an equal matching amount from State, local or private sources for supportive services for these individuals.

Creating Jobs and Economic Growth in Distressed Areas

Enterprise Zones.—It is essential in both urban and rural America to create jobs and entrepreneurial activity in distressed areas that have not fully participated in the Nation's overall economic prosperity. State and local governments have already taken the lead by setting up their own enterprise zones but these lack Federal incentives. Federal enterprise zones will bolster such State and local efforts by providing strong Federal tax incentives for job creation and entrepreneurship in distressed areas.

Three Federal tax incentives are included in the President's Enterprise Zone proposal:

- A 5 percent refundable tax credit for the first $10,500 of wages, up to $525 per worker, to qualified employees for wages earned in an enterprise zone business. This credit phases out between $20,000 and $25,000 of total wages. In many cases, this credit will cut the taxes of low-income workers to zero. For some low-income families who already owe little in taxes, a refundable credit will not only eliminate their tax liability—it will put money in their pockets.

  Welfare recipients and other low-income people on government support often face very steep effective tax rates as they enter the workforce. They pay income and social security taxes on their earnings, and suffer high effective marginal "taxes" from losing their AFDC, Food Stamps, Medicaid coverage and other government support. They also face employment-related expenses, such as child care and transportation. The proposed wage tax credit is designed to ease the financial transition of welfare families into entry-level jobs opportunities that will help break the poverty trap.

- Expensing of investor purchases of newly-issued corporate stock for businesses located in enterprise zones. This is an up-front deduction for up to $50,000 per year of new equity investment, with a $250,000 lifetime limit. Corporations issuing the stock must have less than $5 million of total assets, and must use the stock proceeds to acquire tangible assets located within the zones. This incentive is designed to make zones attractive to new capital by giving an immediate tax saving

to individuals who invest in enterprise zones.

- A zero capital gains rate for gains on investment in tangible property used in an enterprise zone business, and located within an enterprise zone for at least 2 years. This is another strong incentive for potential local entrepreneurs and outside investors to invest capital in the zone. It is a more delayed reward for entrepreneurship than the up-front expensing deduction.

In summary, Federal tax incentives would be available to investors and employees in 50 zones for up to a maximum of 24 years. The estimated tax revenue effect of this proposal is $520 million from 1991 through 1993.

These 50 zones will be chosen through a competitive process after a comprehensive evaluation by the Secretary of Housing and Urban Development. Applicant localities must commit to provide regulatory relief and improved services within the areas they nominate as Federal enterprise zones. Those states and localities offering the strongest package of incentives and initiatives would be selected for zone designation. For example, some preference for Federal enterprise zone designation could be given to States and localities that offer relief from land use regulations. Similarly, States and localities could toughen community drug enforcement, begin new anti-crime efforts, target improved job training and counseling to zone residents, or improve municipal services and neighborhood infrastructure.

CONCLUSION

The HOPE initiative will not by itself solve the problems of poverty. No single approach can do so. But HOPE will help to contribute an important escape route from poverty—by providing the stability that comes from better housing, particularly owning one's home. The road away from poverty is likely to begin with pride and self-reliance, and nothing is more conducive to pride and self-reliance than responsibility for one's dwelling.

FAX TRANSMITTAL

U.S. DEPARTMENT OF LABOR

OFFICE OF INFORMATION AND PUBLIC AFFAIRS

TO: Peg Dooley

FROM:

MESSAGE/INSTRUCTIONS:

NUMBER OF PAGES TO FOLLOW: 1

002
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01/25/90 14:50 ☎523 8699

SUMMARY: COMPARATIVE LEVELS

REAL GROSS DOMESTIC PRODUCT PER CAPITA AND PER EMPLOYED PERSON BASED ON PURCHASING-POWER-PARITY EXCHANGE RATES

(UNITED STATES=100)

COUNTRY	1950	1960	1970	1980	1985	1986	1987	1988
I. GROSS DOMESTIC PRODUCT PER CAPITA								
UNITED STATES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
CANADA	70.2	72.8	79.0	93.1	94.1	94.5	94.6	94.4
JAPAN	16.1	28.8	55.8	66.1	71.2	71.1	71.7	72.9
KOREA	NA	9.5	12.9	20.9	26.4	29.6	31.1	33.2
BELGIUM	45.4	49.6	59.5	68.3	64.8	64.8	64.3	64.7
DENMARK	51.5	62.1	69.1	70.6	74.0	74.7	72.1	69.3
FRANCE	44.4	54.4	65.8	73.1	70.7	70.6	69.7	69.5
GERMANY	36.0	61.1	67.9	74.3	73.0	73.2	72.4	72.2
ITALY	31.7	44.9	57.3	67.1	65.9	66.2	66.2	66.3
NETHERLANDS	53.4	61.4	69.3	72.4	68.3	68.0	66.6	65.6
NORWAY	49.9	56.7	61.6	79.0	84.2	85.7	83.8	81.4
SWEDEN	59.2	66.7	76.4	76.3	76.3	75.5	74.9	73.7
UNITED KINGDOM	60.2	66.5	64.8	66.2	66.4	67.2	68.0	67.2
II. GROSS DOMESTIC PRODUCT PER EMPLOYED PERSON								
UNITED STATES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
CANADA	76.8	79.7	83.8	92.5	95.8	95.5	95.4	94.6
JAPAN	15.2	23.3	45.7	62.7	68.3	68.9	70.3	71.5
KOREA	NA	(1)12.7	17.1	25.9	32.9	35.5	37.2	39.3
BELGIUM	46.1	49.5	61.1	78.2	79.0	79.2	79.5	79.9
DENMARK	NA	53.0	59.5	65.9	68.4	68.3	66.5	64.9
FRANCE	38.1	47.6	63.8	80.2	83.3	84.5	85.0	85.6
GERMANY(2)	34.5	49.1	61.9	77.5	80.0	80.4	80.4	81.0
ITALY	29.3	41.7	63.0	81.8	82.4	83.3	84.9	85.1
NETHERLANDS	52.3	57.5	69.9	81.1	78.8	78.6	77.3	76.8
NORWAY	43.9	51.2	57.6	75.3	79.3	79.3	77.6	77.2
SWEDEN	NA	51.9	62.7	66.7	68.2	68.4	69.0	68.4
UNITED KINGDOM	53.7	54.5	58.2	66.4	70.2	71.7	72.6	71.6

NA = NOT AVAILABLE.
(1) 1963.
(2) SEE NOTE ON GERMANY ON PAGE 5.

[illegible] OF LABOR STATISTICS
[illegible] OF PRODUCTIVITY AND
TECHNOLOGY

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO DAVID DEMAREST
CHRISS WINSTON
DAN McGROARTY

FROM: ED McNALLY

SUBJECT: STATE OF THE UNION

EISENHOWER (I.E., REPUBLICAN) ALTERNATIVE TO THE TRUMAN QUOTE

Nearly forty years ago, in a Christmas broadcast to the people behind the Iron Curtain, President Eisenhower predicted such a time would come. He told them: "I want you to know that the American people...share your faith that right, in the end, will prevail -- to bring you once again among the free nations of the world."

Today, right has prevailed. Today, that change is taking place.

For more than forty years...

# # #

Service of Mead Data Central

1ST STORY of Level 1 printed in FULL format.

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The New York Times

November 28, 1989, Tuesday, Late Edition - Final

SECTION: Section A; Page 1, Column 4; Foreign Desk

LENGTH: 1071 words

HEADLINE: Clamor in the East;
Unshackled Czech Workers Declare Their Independence

BYLINE: By ESTHER B. FEIN, Special to The New York Times

DATELINE: PRAGUE, Nov. 27

BODY:

Soon after the strike began today, Zdenek Janicek, a brewery worker in grimy overalls, rose on a platform and began to speak.

''We hold these truths to be self-evident,'' he said, ''that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness.''

For the nearly 1,500 workers who gathered to listen to him, today was a day of declaring independence from the stifling Communist leadership that has ruled Czechoslovakia for 40 years. Like millions throughout the nation, workers here walked off their jobs at noon in a two-hour general strike demanding greater democracy and an end to the Communist Party's monopoly on power.

''Americans understood these rights more than 200 years ago,'' Mr. Janicek said after reciting part of the Declaration of Independence to his co-workers. ''We are only now learning to believe that we are entitled to the same rights.''

In Branik, the sooty industrial neighborhood where he spoke, workers in construction, carpentry, brewing, mining and other fields had scheduled a rally on the grounds of the V.D.U.P. Construction Company during the strike. The rally was held so that people in this area on the outskirts of Prague could witness the labor stoppage and know that workers here support the opposition movement.

''It is not only intellectuals and dissidents and students who want change in this country,'' said Jan Malima, a building insulator, standing under the subfreezing, sunless sky, amid bold red, white and blue Czechoslovak flags snapping in the wind. ''Workers have been suffering under the yoke of Communism, too. Only we never before stood up and used our power to try to force change on our Government. But the students turned our attention in a way that forced us to look around and say loudly, 'We are with you.' ''

A few minutes before noon today, Mr. Malima was unrolling wall insulation and laying it in place in an apartment building he was repairing on the edge of the city for the O.P.B.H. Construction Company. Nearby, Vitezslav Fabian was installing a lock in the apartment door, and on another floor a team of bricklayers were shoring up a wall that had begun to sag.

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As 12 o'clock struck, Mr. Malima looked at his watch, gave out a holler to his co-workers, and at once all of them set their tools on the ground, grabbed their coats and, still dusty from their heavy work, left the building to begin the strike and join the rally at V.D.U.P..

Consolidation of Forces

The widespread two-hour general strike today was more than just a blow at the status quo. It was the culmination of a consolidation of forces among the country's defiant students and newly emboldened working class.

Czechoslovak society has been stratified by social class and by 40 years of Communism, so intellectuals and workers had rarely entered each other's world. But during the 10 days of protests that have shaken this country, social barriers have given way to a unified attempt to break the longtime Communist hold on life here.

Though the relationship between the students and the workers was tentative at first, with each apprehensive about the other's motives and prejudices, by today workers and students were embracing and applauding one another's efforts.

At the rally at V.D.U.P., workers stood on a makeshift platform together with students from Charles University's philosophy and law departments.

'We Just Suffered'

''For decades, my generation has been waiting and wondering when we would have a chance to be free human beings,'' said Antonin Sykora, a bricklayer. ''We didn't want the politicians to stay in their places, but we didn't think any force could move them out, so we just suffered.

''And then the students came and gave us an example of which direction to follow and how to organize,'' he said. ''They spoke clearly about their demands and they appealed for our support, and now I say to you, we will stand behind them to this strike and any others that may be necessary.''

The audience of fellow workers cheered and called on the students to speak.

Jan Kasal, a philosophy student at Charles University, told the workers that although the Government had responded to some demands by the students and the opposition group Civic Forum, there was much that had still not been fulfilled.

''Some Government leaders may have been replaced, but many others still remain,'' Mr. Kasal said. ''Some political prisoners have been released, but many others remain in prison. This strike is to say to the leadership that those measures are not enough for us.''

The crowd responded enthusiastically. ''We are with you!'' the workers shouted in unison. ''We are with you!''

Seminar on Totalitarianism

The two-hour strike was not simply a work stoppage in this neighborhood; in some ways it was like a seminar on the evils of totalitarianism, the path of civil disobedience and the merits of democracy.

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One worker from the V.D.U.P. company stood up on the platform and read from the ''Gulag Archipelago,'' Aleksandr Solzhenitsyn's devastating account of life in the Stalinist labor camp, a work that has only recently been permitted in the Soviet Union, but is still banned here.

An actor from the Realistic Theater, who came to show his support for the workers' action, recited some of the concepts espoused by Mohandas K. Gandhi, the leader of India's independence movement, and there was the soft reading from the Declaration of Independence that seemed to touch the workers deeply.

When the speeches were done, the workers raised their heads to the flag and together sang their national anthem, a haunting melody sadly called ''Where Is My Homeland?''

March Through the Streets

And the workers marched through the streets of their neighborhood, carrying large Czechoslovak flags and posters calling for free elections and freedom.

They walked past restaurants, pharmacies, pastry shops and hardware stores, all bolted shut in sympathy with the strike.

From their windows, neighborhood residents shouted their support for the workers.

''Retirees greet you with pride!'' screamed one elderly man, waving to the marchers.

And a young mother, holding her baby, called out, ''We love you!''

The march came to a stop before a military institute in the neighborhood. They stood there, chanting ''Svabodu!'' - freedom.

GRAPHIC: Graphs showing percentages of Czechoslovakia's nationalities, religion & employment; Czechoslovakia's vital statistics (sources: The Europe World Yearbook, 1989; The Statesman's Yearbook, 1989-1990 (NYT) (pg. A12)

SUBJECT: DEMONSTRATIONS AND RIOTS; STRIKES

NAME: FEIN, ESTHER B

GEOGRAPHIC: CZECHOSLOVAKIA; PRAGUE (CZECHOSLOVAKIA)

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Anti-Establishment Vote

At least a dozen Cabinet ministers and other prominent Congress Party candidates lost races as the Congress Party suffered setbacks in traditional strongholds while picking up new strength in areas previously dominated by the opposition. Voting behavior was almost universally negative, turning out whatever party was in power.

Discussions opened between the Janata Dal and the Bharatiya Janata Party, a Hindu-based organization that emerged as a surprisingly strong force, going from 2 seats in the old Parliament to at least 79 in the new one.

The two parties alone could not form a government, but Bharatiya Janata leaders have ruled out joining a government in which the Communists, commanding the next-largest bloc of seats, were an integral part.

A spokesman for the Janata Dal, or People's Party, said today that his party was not averse to forming a minority government supported by parties of the left and right but not in coali-

Continued on Page A10, Column 1

country to a standstill. Streetcars stopped in downtown

N4T 11/28/89

Unshackled Czech Workers Declare Their Independence

By ESTHER B. FEIN
Special to The New York Times

PRAGUE, Nov. 27 — Soon after the strike began today, Zdenek Janicek, a brewery worker, rose on a platform in grimy overalls and began to speak.

"We hold these truths to be self-evident," he said, "that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness."

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"Americans understood these rights more than 200 years ago," Mr. Janicek said after reciting part of the Declaration of Independence to his co-workers. "We are only now learning to believe that we are entitled to the same rights."

In the neighborhood where he spoke, Branik, a sooty industrial area far from the ancient glory of old Prague, workers in construction, carpentry, brewing mining and other fields had agreed to hold a rally on the grounds of the V.D.U.P. Construction Company during the strike. The rally was held so that people in this area on the outskirts of Prague could witness the labor stoppage and know that workers here support the opposition movement.

"It is not only intellectuals and dissidents and students who want change in this country," said Jan Malima, a building insulator, standing under the subfreezing, sunless sky, amid bold red, white and blue Czechoslovak flags snapping in the wind. "Workers have been suffering under the yoke of Communism, too. Only we never before stood up and used our power to try to force change

Continued on Page A12, Column 4

Abu Nidal Is Reportedly Placed Under House Arrest by Libyans



Reuters

The suspected terrorist Abu Nidal in an undated photo.

By YOUSSEF M. IBRAHIM
Special to The New York Times

TUNIS — Abu Nidal, the Palestinian widely considered one of the world's most dangerous terrorists, has been placed under house arrest by Libya in recent days, officials of the Palestine Liberation Organization here and Arab diplomats in Paris say.

The move against Abu Nidal, who lives in a compound near Tripoli, the Libyan capital, is believed to be a result of Arab and Palestinian pressure to put an end to his terrorist activities, which were becoming an obstacle to Arab diplomacy.

P.L.O. officials here and senior Egyptian diplomats said that as part of the pressure, President Hosni Mubarak of Egypt in October asked the Libyan leader, Col. Muammar el-Qaddafi, either to extradite Abu Nidal to Egypt or prevent him from mounting any terrorist operations from Libya as an essential condition for restored relations between the two nations.

There is no indication that Colonel Qaddafi intends to turn Abu Nidal over to Egypt, the officials said.

Deadly Feud With P.L.O.

Officials of the P.L.O., which has been Abu Nidal's principal enemy in the Arab world since he broke with it in 1973, said the developments could signal the imminent end of the Abu Nidal organization, or at least the beginning of a long period of paralysis. The faction is believed responsible for terror-

Hungarians Reject Election Timetable Of the Ruling Party

By HENRY KAMM
Special to The New York Times

BUDAPEST, Nov. 27 — Voters rejected the election timetable of the ruling party by the narrowest of margins in a referendum on Sunday, forcing it to abandon its plan to elect the first President of the republic while it retained full control of the Government.

In today's counting in Hungary's first free national vote since World War II, a narrow Government lead wilted steadily until Minister of State Imre Pozsgay conceded that the opposition proposal to delay the presidential voting had carried the day. Mr. Pozsgay was to have been the ruling party's presidential candidate.,

Under the plan adopted by the Parliament that is still controlled by the Communists, presidential elections

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tions, and president of the Seniors Civil Liberties Association, a loosely formed advocacy group based in Florida which has filed suit to overturn the law.

"Do you know what it does to a 92-year-old woman, who trembles when she breathes, to hear that

STREETS T

Country Is Bl Standstill i to Commur

By R. W. APl
Special to The New

PRAGUE, Nov. 27
Czechs and Slovaks
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and opposition to Com
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in protest today. It was
pouring of dissent in thi
million people since F
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"It has become a
wave," a senior Western
after viewing the throng
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has clearly fallen apa
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The Communist leade
ing to lose strength

Continued on Page A1

Talks on Europear

President Bush and Mi
bachev are likely to discu
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ficials indicated. Page A7.

INSIDE

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A3-14

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aks are unified intellectuals in eak the 40-year e nation. A1

's old guard is en though the y try to retain of reform, ex- ths ago, they were unthink- A13

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d a plan Repub- con- te

Quotation of the Day

"For decades, my generation has been waiting and wondering when we would have a chance to be free human beings."

— Antonin Sykora, a Czech bricklayer who took part in the general strike yesterday. [A1:4.]

decide whether the Congress Party or the opposition National Front gets first chance to form a new coalition government. A10

Abu Nidal is under house arrest in Libya, P.L.O. and Arab sources said. Libya's move against the suspected terrorist is believed to be a result of Arab pressure to end his terrorist activities, which have been an obstacle to peace efforts. A1

Troops loyal to Gen. Michel Aoun, who refuses to recognize the presi- cy of Elias Hrawi, were ordered bilize in Christian sectors of ebanon. A3

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26TH STORY of Level 1 printed in FULL format.

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Summary of World Broadcasts

January 23, 1989, Monday

SECTION: Part 2 Eastern Europe; A. INTERNATIONAL AFFAIRS; 1. GENERAL AND WESTERN AFFAIRS

PAGE: EE/0365/A1/ 1

LENGTH: 1248 words

HEADLINE: HONECKER ON THE BERLIN WALL AND PROTECTING THE STATE

SOURCE: ADN in German 1513 gmt 19 Jan 89 (EE/0364 i)

Excerpt from a speech by SED General Secretary Erich Honecker at a meeting of the Thomas Muentzer Committee in Berlin on 19th January

BODY:

. . . The plans for the 1989 Thomas Muentzer commemoration in the GDR have again borne out the experience which we have often made and which make us optimistic again and again. I am talking about the high standard of historical consciousness of our country's citizens and the awareness that commemorations are not a matter of formality for us but an occasion to understand more deeply and make present-day use of historical events and the essence of important public figures. That is something very valuable. A very simple but extremely important fact emerges here. We are deeply anchored in the history of our people, represent them, and carry on the spirit of the best people and the best things and the most progressive aspects they have produced.

We recognise here the interaction of German and European history. In the year in which we are celebrating the 500th anniversary of the birth of Thomas Muentzer we are also commemorating with all European peoples the 200th anniversary of the great French Revolution. At the same time the Thomas Muentzer commemoration is not, as we heard, restricted to our country. Here it should be pointed out that the UNESCO resolution on the Thomas Muentzer commemoration has started initiatives and activities in various countries. The door to Thomas Muentzer's homeland is open to all who want to convince themselves of the cultivation of the revolutionary, humanist legacy in the GDR. The Muentzer commemoration demonstrates the respect of our country's people for the selfless revolutionary fighters of the past. Not least to be mentioned in connection with the high level of historical awareness of our citizens is the fact that they do not condemn revolutionaries of past generations for mistakes and errors which they have committed, but that they first and foremost praise the courage, self-sacrifice and resoluteness of those who tried to pave the way for a better future for the people.

''The German people too, also has its revolutionary traditions. . . ''[ADN ellipses] This is Friedrich Engels' introduction to his important writings on the German Peasants' War. The first socialist state of workers and peasants on German soil today already has its own fund of historical experiences, in which we can trust completely.

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Having risen up from the ruins, our people have opted for peace, socialism and good neighbourliness and have accomplished a huge work of construction and renewal in the almost 40-year history of the GDR. In implementing the tasks decided by the 11th SED Congress and in shaping advanced socialist society with the participation of all, we are setting up its home more and more to its benefit.

We are above all interested in peace. The struggle for this noble goal of mankind has borne fruit, which make us optimistic. As a result of the GDR's participation there has been a start to nuclear disarmament, to the elimination of the Soviet and American medium-range missiles, and there will now be, as agreed at the CSCE follow-up meeting in Vienna, negotiations on the reduction of conventional armed forces and armaments from the Atlantic to the Urals.

Those who attempted to veil their own irresponsibility towards their nation and their citizens by extremist attacks on the GDR at the Vienna final meeting cannot diminish the contribution the GDR made to the success of this meeting. Without the active collaboration of the GDR, without its readiness to compromise and its mediation, the Vienna meeting would not have come to a successful conclusion, especially if you take into account that many talk about human rights but trample them under foot in their countries. Thus it is for example incomprehensible when the USA laments on thesecurity apparatus on the GDR's border with Berlin (West) and the FRG, albeit to mollify its alliance partner, and thereby disrupts the Vienna Final Session assisted by Herr Genscher and some others, but deliberately ignores the electric barriers on the border between the USA and Mexico. Not to mention the latest terror actions by the US police in Florida, intended to stifle protests against discrimination by the coloured population by shots and mass arrests, during which two demonstrators were gunned down.

The situation in Europe was stabilised by the construction of the anti-fascist protective wall in 1961, peace was saved. The reports appearing today in some of the media in the FRG and Berlin (West) on ''Vienna and the Wall' ' not only testify to short-sightedness but also reveal the large dose of hypocrisy with which policy is made in Berlin (West) and Bonn. The gentlemen from the Springer press and those who help seem to forget that it should be a constant task of the government and every state to protect its citizens against being plundered. The exchange rate of one FRG Mark to seven GDR Marks is an example of this. In this we do not even take into account that it is a serious concern of our state to protect our citizens from the machinations of the West's society of drugs. It has apparently been forgotten that those very people who are prominent in their rabble-rousing propaganda against the GDR recently asked the GDR to close the doors between Berlin (West) and the GDR capital against those from far-off countries who look for asylum in Berlin (West) and the FRG.

One could also include these and other matters in our considerations, but this much was however now already evident In spite of the ''strong line'' taken by Mr Genscher and Mr Shultz, the wall will remain for as long as the reasons for its presence have not been eliminated. It will still be there in 50 and also in 100 years. That is necessary in order to protect our republic from robbers, not to mention from those people who would gladly destroy peace and stability in Europe. The safeguarding of the frontier is the sovereign right of every state, and also of our GDR.

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The year 1989 sees the 75th anniversary of the outbreak of the first world war and the 50th anniversary of the start of the second. This admonishes us in a very special way to do all that is necessary, and without let-up, to advance further the dismantling of arms potential. We do not overlook the fact that in NATO powerful counterforces are at work, but we are firmly convinced that reason and realism will win the upper hand over any ideas of a ''balance of terror''.

It depends greatly on the strength of socialism as to how secure peace is. For this reason brigades have rightly chosen the motto ''My work station is my battle station for peace''. There is evidence in everyday life of the citizens of all classes and strata of our country, irrespective of their political and religious ties, coming together for joint efforts for peace and progress.

That is our way of implementing legacies from history and linking yesterday with today. That is our way of preserving and continuing the German revolutionary and humanist traditions in all their diversity. It is in this way that we are paying tribute to Thomas Muentzer. The fact that we like to speak of the stream of history is justified. However let us not be driven along haphazardly in that stream for we ourselves are the sails, determining the direction and goal of our ship and steering it through calm waters as well as through breakers, based on the firm trust among party, state and people.

With that, I would like to conclude our working meeting. I wish the work of our committee continued success.

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3RD STORY of Level 1 printed in FULL format.

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The Reuter Library Report

January 30, 1989, Monday, AM cycle

LENGTH: 755 words

HEADLINE: OFFICIAL CZECHOSLOVAK ARTISTS URGE RELEASE OF DISSIDENT HAVEL

BYLINE: By Jan Krcmar

DATELINE: VIENNA, Jan 30

KEYWORD: CZECHOSLOVAKIA

BODY:

Czechoslovakia's leaders faced one of their biggest challenges in 10 years after some 700 prominent cultural figures signed a petition urging the release of dissident author Vaclav Havel, emigre sources said on Monday.

The "Initiative of Cultural Workers", comprising 63 pages with 692 signatures, was sent last Thursday to Czechoslovak Prime Minister Ladislav Adamec.

Emigre sources in Vienna, who made the text of the petition available to Reuters, said more signatures were pouring in from all over Czechoslovakia.

"If they wanted to punish those who signed now, they would practically have to switch off the television, close most of Prague's theatres and withdraw 90 per cent of Czechoslovakia's film production," one dissident contacted in Prague said.

The signatories, many of whom are Communist Party members, described official media reports of Havel's arrest two weeks ago as "insulting and untrue".

Havel, a leading Czechoslovak playwright whose works have been banned since 1968, was arrested during demonstrations in Prague on January 16 and is still in detention with two others.

They face charges of hooliganism which carry a prison term of up to two years.

The sources said the petition, almost all of whose signatories are officially recognised and appear regularly on the stage and television and in films, was one of the most significant challenges to the authorities since the appearance of the Charter 77 human rights petition in 1977.

Havel helped found the Charter movement and was one of its first three spokesmen.

"We, who know Vaclav Havel as an outstanding playwright and an honourable man, are disquietened and insulted in the way the media report these incidents," the petition said.

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(c) 1989 Reuters; January 30, 1989

Almost all the signatories signed an "anti-Charter" in January 1977 organised by the authorities as a condition for being allowed to work.

"As cultural workers, we are convinced that the existing social problems cannot be masked or solved by slander, arrests and force," the petition said.

"We demand that the Czechoslovak authorities accede to a dialogue, the usefulness of which they themselves stress. A precondition, of course, is the release of Vaclav Havel and all those unjustly detained."

The petition follows the suppression of demonstrations in central Prague this month to commemorate the 20th anniversary of the death of Jan Palach, who burned himself alive in protest at the Soviet-led invasion of Czechoslovakia.

Several thousand demonstrators who took part in the six days of protests also chanted demands for freedom and human rights. Czechoslovakia's official media alleged the protests had been organised from the West and condemned them as anti-Socialist.

The signatories include Oscar-winning director Jiri Menzel, leading actors Jaromir Hanzlik, Oldrich Kaiser and Jana Sulcova, Jan Bauch, a prominent painter, and actor-plawrights Zdenek Sverak and Ladislav Smoljak.

Some, such as actor Jan Preucil, publicly condemned Havel on television during the campaign that followed the publication of the Charter. Others regularly portray roles of dedicated Communists in popular television serials.

Adamec, meanwhile, rejected criticism by Cardinal Frantisek Tomasek of police suppression of the Prague demonstrations, according to the official Communist Party newspaper Rude Pravo.

The prime minister, replying to a January 20 letter from Tomasek, Czechoslovakia's Roman Catholic primate, defended the police action.

"The police had to react with measures to restore order in face of a deliberate policy of confrontation, acts to block public transport ... and against premeditated provocations and hooliganism," Adamec said in the letter published in Saturday's edition of the paper that reached Vienna on Monday.

"To pardon, justify or even praise the actions of these individuals and groups who by their behaviour came into conflict with the valid law ... means in effect to call for civil disobedience, anarchy and an attack against the socialist state," Adamec said.

Official Czechoslovak media said the demonstrations had been organised in the West and condemned them as anti-socialist.

Emigre sources in Vienna said Tomasek had written Adamec a second letter on January 21 denying those charges and rejecting assertions that the demonstrators had provoked the violence.

"The police acted not only against the law but also inhumanly," the sources said Tomasek told Adamec. "They overstepped their competence and damaged our state both internally and abroad."

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22ND STORY of Level 1 printed in FULL format.

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May 18, 1989, Thursday, PM cycle

LENGTH: 135 words

HEADLINE: OUSTED CZECHOSLOVAK LEADER DUBCEK VISITS FREED DISSIDENT HAVEL

DATELINE: PRAGUE, Czechoslovakia

KEYWORD: WORLD-BRIEFS

BODY:

Ousted Czechoslovak Communist leader Alexander Dubcek met for two hours late Wednesday with dissident playwright Vaclav Havel who had just been released from prison.

Dubcek, toppled after the 1968 Soviet-led invasion ended his "Prague Spring" reform movement, was in Prague on personal business when he learned Havel had been freed and visited the banned playwright at his home.

"I met him for the first time in 20 years," Havel said. "It was wonderful."

Havel, arrested on January 16 on charges arising from a week of anti-government protests, was freed Wednesday after serving four months of an eight-month jail sentence.

His brother Ivan said Havel and the former Communist Party chief spoke about 1968 and Dubcek's recent interview on Hungarian television which angered the Prague authorities. -

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Walesa: Unrest Unless Solidarity Legalized

AU0501173789 Paris AFP in English
1647 GMT 5 Jan 89

[Text] Warsaw, Jan 5 (AFP)—Lech Walesa, leader of Poland's outlawed Solidarity movement, said Thursday he would back strikes or other forms of social unrest if "peaceful means" failed to persuade the authorities to legalize the union.

Mr. Walesa again called on the authorities to open discussions with the opposition and lift the ban on Solidarity, imposed when martial law was proclaimed in 1981.

"For the moment our weapons are arguments and not strikes," he said, but he cautioned that if those means proved insufficient, Solidarity would switch tactics sometime around April.

"We will ask the workers to decide the forms of struggle they wish to use and how far they are prepared to go. I suppose that another form of struggle will prove essential and I personally undertake to support it," he said.

"If Poland does not obtain pluralism soon, young people are likely to lose patience and that could cost us a lot."

But he said Solidarity was carrying on contacts with the authorities through two intermediaries, politburo member Stanislaw Ciosek, and a Roman Catholic intellectual, Andrzej Stelmachowski, who is close to Mr. Walesa.

A nationwide wave of strikes ended six months ago after the government promised "round-table" talks with opposition figures which have yet to materialize.

Walesa Holds News Conference in Gdansk

LD0501192989 Warsaw Domestic Service in Polish
1900 GMT 5 Jan 89

[Text] Today Lech Walesa held a news conference in St. Brygida's Church in Gdansk. The conference was dominated by questions concerning the recently emerging so called working group of the National Commission of Solidarity, and Lech Walesa's attitude to accusations made against him at the group's meeting. Lech Walesa rejected the accusations, calling them demagogy and an attempt to gain young people's zeal for their own goals.

Referring to the questions concerning his attitude to Jerzy Urban's statement on the roundtable, Lech Walesa said that the roundtable is a symbol which says that Poles, at the end of the 20th century, should seek accord in a civilized and wise way that will build Poland. I am ready for such an accord, he said.

Passport Offices Swamped With Applicants

AU0501170289 Warsaw TRYBUNA LUDU in Polish
3 Jan 89 pp 1,2

[Report signed 'DIK': "Raids on Passport Offices—Better Information Essential"]

[Excerpts] Relaxed passport rules have been in force since 1 January. How does the situation look? To find an answer, our reporters visited several passport offices on Monday.

The passport section of the Warsaw-Zoliborz District Internal Affairs Office. It is 1130. Customers have been admitted since 1115. A noticeboard contains a list of the latest passport fees and reductions in these fees. However, in order to find out whether passports that were previously issued for the socialist countries only and were kept at home are still valid, one has to go to some room and ask. The noticeboard gives no answer to many other important questions, for example how much one has to pay in order to bring one's passport out of deposit and keep it at home. There is not a single word about the fact that passport applicants no longer need an invitation from someone living abroad, nor about the fact that males up to the age of 50 need to produce their military service books, nor about the fact that those in the possession of draft cards need permission from the Regional Military Command in order to apply.

On the first floor, there is a long line of people in front of the window where passport applications "for socialist and capitalist countries" are accepted, although this distinction is no longer valid. There is no window where one can obtain information, because there is no room, but there are application forms lying on the tables. One does not have to stand in line for those at least.

The Warsaw-Wola District Internal Affairs Office. The crowd of people fills the entire passport department and extends outside the building. For a long time, conditions here have been cramped for employees and applicants alike. People are waiting to receive application forms. "Why?" I ask the head of the department, Zofia Majkowska. "We do not have enough application forms. If we laid them out openly, people would seize several at the same time. We are afraid that we might run out of them." [passage omitted]

These visits by our reporters, as well as letters from readers, show that the new passport rules have caused people to invade passport offices. This was to be expected, in any case. However, not all offices managed to prepare themselves for this onslaught, because the period of time between the premier's decision and the date on which it came into force was too short. Good visual or telephonic information should reduce the lines of people waiting to receive information. Also, it would be better if those people with no intention of making a trip abroad in the immediate future applied for their passports at a later time. One can expect that in a few

Above all, he said what most listeners considered to be the truth. This is because people in Poland want pluralism and, for a significant section of society, the word Solidarity is associated with the words freedom and democracy. Without closing his eyes to the mistakes that Solidarity made in 1980-81, Walesa said repeatedly that Solidarity would be the same organization, but it would not be the way it was before.

The November television debate can and should become an important step toward accord. Accord is essential for both sides. It is a categorical imperative, if we want to avoid dangerous incidents over the next few months and preserve and strengthen those social forces that will be able to have a restraining influence on sudden outbursts of dissatisfaction, which are understandable in our economic situation, and to preserve a sense of responsibility for the fate of the entire country.

Further on Plenum Resolution

LD1901203189 Warsaw Domestic Service in Polish 1808 GMT 19 Jan 89

[Report by correspondent Andrzej Trojanowski in Gdansk]

[Text] In the course of the Thursday meeting between Lech Walesa and foreign and domestic journalists many questions related to the 10th PZPR Central Committee Plenum. Lech Walesa stated that today it is too soon to talk about this matter, especially as the full text of the plenary resolution is only going to be published in Friday's press. Repeatedly asked by journalists, Lech Walesa replied in part:

[Begin Walesa recording] I repeat again, I cannot today talk about this as I do not know about these matters. At the same time, I do know something about it but we must clarify many things and make them more precise. I also think that this precision will come very soon. However, I think that most people in Poland think the same; that as people we do not have a choice, we must create the opportunity for everyone to work. Along the same lines, and at the same time, we must leave people their independence and respect them. For this is probably the only way we can build understanding. There are some fears, partly of ambition, partly of organization, lack of habit, and various other things. However, people's understanding of the necessity for this dominates even more. There really is [words indistinct].

Poland really needs accord, agreement; but an agreement that is not destructive, an agreement which rests on pluralism. The faster we come to an agreement the fewer losses we will suffer. I would not wish my son or my son's generation to again experience these things the way they are now, where things accumulate and then explode. I would not wish this. This must be understood and we must struggle for it. We must not be allowed to destroy this opportunity. [end recording]

[Trojanowski] This is how Lech Walesa reacted to the news that together with Alfred Miodowicz he has found himself among the winners of the (?Victor) Award granted to the 10 greatest television personalities of the year.

[Begin Walesa recording] Well that's a turnup for the books; that's a turnup for the books. Well, everyone likes awards and I do too, of course, but the problem is what this really means; how everything can be more easily worked out and changed and so on, and what the contrasts are. Here snow and there oranges; well down there snow and up there oranges [as heard]. Here on television some people are still upset, they see me as a spy, an agent. Others award me. Well, that's a turnup for the books; that's a turnup for the books. [end recording]

[Warsaw Television Service in Polish at 1615 GMT on 19 January adds the following: "Lech Walesa met reporters in St Bridget's church in Gdansk. Today's workers are not people who destroy machinery, he said. One must understand and trust them. I believe that Solidarity will be wise and sensible, but at the same time, it will not allow its independence to be taken away."]

Walesa Reacts to Plenum, Strikes

LD2001180789 Gdansk Domestic Service in Polish 1600 GMT 20 Jan 89

[Text] [Unidentified correspondent] Lech Walesa met the workers of the K 1 section of the Gdansk Shipyard today. The situation in the shipyard and among its workforce, the future of the trade union movement, and the 10th PZPR Plenum of the Central Committee were discussed. Immediately after the meeting I asked Lech Walesa to express his views on the Central Committee's stance on the issues of trade union and political pluralism which was published by the press today.

[Begin Walesa recording] This was a serious gathering and it seems that quite significant things were said. I cannot assume responsibility [for commenting] at the moment; I expect very soon that my organization, that is—the KKW [National Executive Committee], will make a statement. This is a more serious way of doing it.

I can say one thing: I think that, as far as the party is concerned, this is really a lot; as far as society is concerned, this is a bit too little. As a worker I would put it this way: that what is being expected today is just about covered, but there is no anticipation of the future; this is not here. But one can expect anything. I would like, on the basis of what has been made available, to look for solutions and for an agreement; that is my personal view. This is what I will propose to the KKW: On the basis of what is available, having checked the technical aspects, that on the basis of this we should try to look for an agreement in order to solve these problems which are a real burden for us. Will this be successful? Probably.

(UNIONIST), Miodowicz drew attention to the fact that full information about the life of that well-known figure had never appeared on the book market.

"Pity, after all, that Lech doesn't feel like boosting [sentence incomplete as received]

Meeting Before TV Cameras Soon

There will be a TV debate probably before end of this month in which three representatives of the OPZZ and of the Solidarnosc will take part, Miodowicz told the journalists as he answered other questions. Economy and pluralism will be the topic. Three government representatives also said they are ready to take part in the meeting as observers. The exact date of the meeting depends on the Polish television.

Pluralism and Belt Tightening

Will you slow down the process of union pluralism because you voted against the said CC position, was the question. "I am in favour of its quick introduction," Miodowicz replied. But we must be aware of many threats that can come with pluralism, especially in its first phase. For example, combined with the government "belt tightening" proposals it can lead to hustling, escalation of material demands, etc. An example here can be, though the speaker stipulated that he had no detailed information, the present strike in Pabianice. No Polish family wishes its living standards to decline anymore. Therefore, the government decisions must be thought over and must not lead to a rapid drop of these standards, like it was in 1982, for example. The OPZZ wants to cooperate. We do not want to overthrow another government, we want to be its partners," OPZZ leader said.

OPZZ on Plenum Stance on Pluralism

LD1901232989 Warsaw Domestic Service in Polish 2200 GMT 19 Jan 89

[Text] The OPZZ Executive Committee devoted the 1st day of its 2-day deliberations chiefly to discussion of the 10th PZPR Central Committee Plenum's stance on political and trade union pluralism. The motives guiding the Central Committee when adopting this stance were presented by Stanislaw Ciosek, who took part in the meeting. He said that the supreme issue is a realistic assessment of the forces in the country and the awareness that part of society is dissatisfied with the rate of change up to now. The backlog of many years must be made up and opportunities must be created to influence the country's fate and for people of all orientations to bear responsibility for it. Stanislaw Ciosek said that the Central Committee's stance is an offer addressed to the opposition and that he hopes that this offer will be accepted.

The trade unionists asked him many questions, not hiding their dissatisfaction and pointing out that as recently as October, the OPZZ Assembly had come out in favor of the principle of one trade union in one workplace. The trade union movement's final assessment of the Central Committee's stance will be drawn up by the OPZZ Council next week, after consultation with trade union organizations in workplaces.

Walesa Reacts, Comments on Plenum Resolution

Need for Accord Reviewed

AU2201160489 Warsaw ZYCIE WARSZAWY in Polish 12 Jan 89 p 3

[Article by Wladyslaw Sila-Nowicki: "A Step Toward Accord"]

[Excerpts] The television debate between Alfred Miodowicz, chairman of the OPZZ, the official trade unions that have been operating since 1982, and Lech Walesa, chairman of Solidarity—the trade union whose activities were suspended with the introduction of martial law on 31 December 1981 and was subsequently dissolved by the 8 October 1982 law—was the highlight of Poland's 1988 political season.

The 30 November debate was the result of a whole series of political events: The April-May strikes and then the strikes that took place in August, the minister of internal affairs' proposal of a "roundtable," that is, the starting up of talks between representatives of the state authorities and representatives of the political opposition; the authorities' announcement of a liberalization and democratization of political life in Poland; and an enormous expansion of the freedom of speech alongside a lack of opportunity for real political action. Today in Poland society is allowed to criticize a great deal—especially the past, and the present also, but to a lesser extent—but it is still permitted far too little with respect to political decisionmaking and controlling the actions of the authorities. Society often disbelieves this, but freedom of speech often marks the beginning of freedom of action. [passage omitted]

The general impression is that Walesa was the victor in the clash. However, if one reads a transcript of the debate, the difference between the validity of the arguments advanced by the two contestants is somewhat toned down. The spoken word has its special laws, and in a sharp exchange of views, Walesa is an exceptionally dangerous opponent. After all, no one appointed him the leader of the striking coastal workers in August 1980. His role emerged from the very form that relations between people took, which is something that comes about spontaneously.

I think that Walesa was in a better position, because he was less hemmed in, had much to gain but nothing to lose with his demands, and did not occupy an official post.

In my opinion, a large part of the top cadre on all levels does not fulfill their tasks, both party and administrative ones. Workers see this every day and are irritated by this. In fact, it is a futile anger. Therefore, let us not be surprised that a certain type of class antagonism is growing, and it sets society at variance.

As a worker, I have mixed feelings as to our meetings and plenary sessions, and also to the work of the CC problem commissions. We deliver many fiery speeches, we argue and quarrel, we reorganize, but, as a consequence, we actually make no progress. The successes are illusionary, Kalabarczyk said.

Walesa Arrives in Warsaw for Government Talks

AU2601112589 Paris AFP in English
1114 GMT 26 Jan 89

[Text] Warsaw, Jan 26 (AFP)—Solidarity leader Lech Walesa arrived here Thursday to prepare for talks with the Polish Government on legalising his banned trade union, local sources said.

The union leader arrived from his home in the northern port city of Gdansk, was accompanied by his secretary Father Henryk Jankowski, the priest of the Gdansk parish where the two men live, passengers on the train he took said.

Prime Minister Mieczyslaw Rakowski has said talks between the two sides, repeatedly postponed since last November, will begin on Friday.

Mr. Walesa is due to meet Stanislaw Ciosek, a member of the ruling United Polish Workers Party Central Committee Secretariat, and Interior Minister Czeslaw Kiszczak, who are both also members of the Politburo.

Sources close to Mr. Walesa said he was due later Thursday to meet his close advisers and representatives of the Polish Roman Catholic Church, which has made strenuous attempts to reconcile the two sides.

Walesa's Citizen's Committee Not 'Shadow Cabinet'

LD2501202589 Warsaw PAP in English
1714 GMT 25 Jan 89

[Text] Warsaw, Jan. 25—The opposition in Poland does not have clear-cut proposals concerning the future economic system of Poland, stated Henryk Samsonowicz of the citizen's committee attached to Lech Walesa. We are also not a shadow cabinet, said he.

The citizen's committee which was founded on December 18, 1988 in Warsaw, comprises 15 subcommittees. Prof. Henryk Samsonowicz, a historian specializing in the middle ages, was appointed chairman of the science, education and upbringing subcommittee.

In an interview for the "TYGODNIK POLSKI" (a Christian socio-cultural weekly published in Warsaw), Prof. Samsonowicz said in part: Poland's improvement depends on whether the round table meeting takes place. In this respect, Premier Rakowski is right, namely that the opposition, irrespective of what type it is, let us say the oppositions, do not have a precise program. They do not have clear-cut proposals as regards the future shape of Poland's political and economic system. The committee is the group which is to prepare these expertises, to help Chairman Walesa in a model-like presentation of certain matters. Those who will sit down at the round table must of course have independent, warranted visions of a future Poland, views representing the needs of society. And if the round table does not take place? Then society must also know how the alternative program of the life of our country would have looked liked.

The most diverse, at times completely contradictory, opinions are represented in the citizen's committee. Chairman Walesa will select those he deems most proper, Prof. Samsonowicz continued.

I am saying that neither I nor at least a part of my colleagues feel like politicians. We want to be responsible for certain fields of social life, preparing programs alternative to government ones. It is not my intention to fight against Minister Fisiak (Minister of National Education - PAP). Quite the contrary, I think that I could put my name under all his reformative ideas. I would therefore like to protest as firmly as possible against describing us as a "shadow cabinet" or things like that. We do not aspire to executive and judicial power or the role of a legislative body.

I think that the broadly understood authorities still do not have a precise vision in this respect or a clearly defined stance towards the citizen's committee. We are a precedential formation: one acting openly though not being a legal entity and not aspiring to be one, attached to a politician not fitted into any official alignment, Prof. Samsonowicz said.

Walesa Speaks on Need for Economic Program

LD2501202689 Warsaw PAP in English
1832 GMT 25 Jan 89

[Text] Warsaw, Jan. 25—Today our wire service has carried fragments of an interview with Prof. Samsonowicz, a member of the citizen's committee attached to Lech Walesa in which the former acknowledged that the opposition in Poland does not have a clear-cut economic program.

This was also confirmed by Lech Walesa himself who stated that society "has many grudges but does not have ideas and programs. I therefore set up this group (citizen's committee) in order to stir up society. What will come of this? I do not know."

Solidarity, Government Begin Preliminary Talks

AU2701154989 Paris AFP in English
1512 GMT 27 Jan 89

[Text] Warsaw, Jan 27 (AFP)—Talks between leaders of the banned Solidarity trade union and the Polish Government got underway on Friday in the town of Magdalenka, 30 kilometres (17 miles) south of here, a Solidarity official said.

The official would not discuss details of the agenda for the meeting, which had been continually postponed since last November. But the talks came eight days after Polish head of state Wojciech Jaruzelski said that the legalisation of Solidarity was "negotiable" and called on the opposition to join round-table talks with the government.

Eight Solidarity representatives were present, including leader Lech Walesa and three members of the union's national executive (KKW), the official said. Eight government officials included Interior Minister Czeslaw Kiszczak, members of the United Polish Workers Party's Central Committee and at least one senior figure from the official OPZZ trade union.

Two representatives of the Polish Catholic Church were present as observers. The negotiations, which were to end later on Friday, were expected to be a precursor to "round-table" talks, between government and opposition, which official sources have said will be begin here on either February 5 or 6.

The government wants the round-table talks to last eight weeks, but Solidarity wants them to last no more than three weeks. The two sides also disagree on the spokesmen from the talks, with authorities in favour of one government spokesman and Mr. Walesa wanting one government and one Solidarity spokesman.

Walesa Calls Government Decision 'Unprecedented'

AU2501120089 Paris AFP in English
1156 GMT 25 Jan 89

[Text] Geneva, Jan 25 (AFP)—Solidarity leader Lech Walesa said on Wednesday that the Polish Government's decision to discuss legalising the banned union was "unprecedented", in an interview released here. Mr. Walesa told LA SUISSE daily that he believed recent events in Poland, where government and opposition have agreed to "round-table" talks on free trade unions, meant "we are taking part in something unprecedented". But the union leader warned of the dangers of demagogy and emphasized the need for a compromise "between our aspirations and reality".

Mr. Walesa was asked if he feared "a further manipulation of the working class", a reference to a plea to workers made by Edward Gierek, appointed head of the Polish Communist Party in 1970 during a wave of strikes and riots.

"It is difficult to reply", the union leader said, adding that "I still do not know what attitude to take towards the task which faces us... In any case, we must do everything to avoid letting ourselves drift". The talks, suggested last Thursday by Polish leader Wojciech Jaruzelski, had become a symbol Mr. Walesa said.

"Poles must above all understand each other, in order to overcome the difficulties...for the country to be at the top of today's Europe", he said. "Put another way, the country must function according to the principles of pluralism, of sovereignty and must be self-managed", he added.

A one-to-one meeting with General Jaruzelski was not necessary, he said, but "it is important, rather, to solve our problems by reforms which can only be realised by pluralism. A meeting between two men will not yield a great deal".

Mr. Walesa said a Solidarity congress was needed, "the sooner, the better", though it was unlikely to be held this year because "so many things have happened within the movement".

"In any case, the congress will have to understand that the time has come to build. Between our realities and our aspirations, we must find a compromise, which will be interpreted in divergent ways: the viewpoint depending on the chair on which every one is seated", Mr. Walesa said.

"The danger is that demagogy or calls to combat will easily find a loud echo. Negotiating a compromise accepted by the majority, that is a very arduous task", he added.

Walesa Addresses Journalists at News Conference

AU2601145989 Warsaw TRYBUNA LUDU
in Polish 23 Jan 89 p 2

[Report by Zbigniew Wrobel: "Lech Walesa Gives Unscheduled Press Conference"]

[Text] Lech Walesa met journalists at a brief conference given in Gdansk in connection with the statement issued by the Solidarity National Executive Commission.

L. Walesa said: "We are extending a hand, because the other side is extending a hand. What will this produce? We are—we have said this on more than one occasion—condemned to accord. Agreement is constructive, whereas disagreement is destructive. However, we have to retain our identity—we must remain free and self-governing, we must have our own organization. If all that will be possible, then compromise on obvious matters will also be possible."

He said that appropriate preparations must be made for talks with the authorities.

Does Solidarnosc want to take over power? It would be tragic and even fatal if we attempted to make such a step. On the other hand, we have a "deal to strike" with the government: We must create conditions of struggle for such programmes and solutions under which a better programme would win and have the opportunity of being implemented.

Walesa denied suggestions contained in some questions alleging that Solidarnosc would turn into a political party. We want to be a good and strong trade union but under new economic, legal and political conditions.

Answering a question if he supported the West giving credits to the Polish Government, Walesa said that Poland should be and was worthy of being given assistance but this ought to be done so that it would bring Poland nearer to civilization, Europe and the world. This should be done if there are guarantees of arranging this assistance in such a way.

Discussing the future of the union, the state of its organization and the congresses that are to be held, Walesa stressed the necessity to preserve the principle: No activist of the union can perform his function longer than two terms of office. There are no "holy" activists.

Solidarnosc is keen on informing about its activity, the "round table" debates and the situation in the Union. The interest in these questions is testified to by an interview that he gave to the "NEW TIMES" Soviet political weekly before the start of the press conference, said Walesa.

My socialism is the following: There are three bakeries—the state, cooperative and private ones. The one that bakes the best bread rolls is socialist, answered Walesa a question about his attitude towards socialism.

Walesa on Status of Solidarity

LD2801192789 Warsaw Domestic Service in Polish 1800 GMT 28 Jan 89

[Text] Lech Walesa's news conference was held in Warsaw today. These are some of the questions and Walesa's replies to them.

[Begin recording] [Unidentified speaker] In connection with the political will of the 10th plenum, Premier Rakowski said there that there would be no reinstatement of Solidarity, but that a new union would be created. Has any clarification been made on this issue, and in particular, will the statute of Solidarity be observed in this respect, that the only body authorized to alter it is a democratically assembled congress of the union?

[Walesa] Solidarity itself will be defined in detail at the roundtable. We will think about that in detail there. Today, I am not able to answer to what extent. At the moment we must fight for such an opportunity. We have succeeded in doing this. We have achieved maximum results in what we intended to do. However, there will be more to follow and this will finally resolve all these problems.

Ladies and gentlemen, there is a similar situation as far as elections are concerned. We said, and are saying, only that in connection with the fact that a new chapter is being opened in Poland's internal relations, we are not now looking for ways to a conflict. However, up to now, there have been various conflicts in this respect. We hope that these conflicts will be eliminated in an evolutionist manner. However, we are not prepared, either as a union or as society, to change our opinion on this subject. This is a very difficult and responsible subject and one cannot.... [incomplete sentence as heard]

We can argue today—I am speaking with full sincerity—we can argue about exchanging worse people for better, but generally speaking one cannot adopt a different attitude. Everyone who has this responsibility must understand that society (?then) was not prepared and is not now prepared to receive some great solutions, party or government solutions, etc..

[Unidentified speaker] Can you provide a complete list for the first main roundtable meeting?

[Walesa] (?We have set the meeting) for 1130, as you remember. We have to go through previous lists. We will not want to change ourselves. We want to fit in better. [end recording]

Asked about unrest and strike (?actions) in some enterprises, Lech Walesa said that we will never solve our problems through strikes. The sense of responsibility for our future tells us to avoid strikes.

Talking about the difficult situation of the younger generation, whose representatives express disappointment with the existing state of affairs, Walesa appealed for consideration and attempts to resolve the issue peacefully. He expressed his belief in common sense and wisdom, which have not left Poles up to now.

Czyrek Queried on Solidarity

PM3001105689 Rome LA REPUBBLICA in Italian 26 Jan 89 p 14

[Interview with PZPR Politburo member Josef Czyrek by Andrea Tarquini on 25 January; place not given]

[Excerpt] Warsaw—[Introductory passage omitted] Josef Czyrek told me: "The policy of dialogue and the quest for national understanding are a strategic objective, not a tactical expedient to delay social unrest and confrontations between us and them. It is the risky but inevitable choice of the lesser evil. Together with the constructive opposition, we want to formulate a humanistic and democratic model of socialism that takes account of the pluralism that already exists in Polish society."

Walesa Views Role of Solidarity

LD2801114889 Hamburg DPA in German 1054 GMT 28 Jan 89

[Text] Warsaw (DPA)—Lech Walesa, chairman of the banned Solidarity trade union, said on Saturday that he is satisfied over the talks with the Polish leadership. "We have the opportunity to smash monopolies in the political, economic, and social sphere", Walesa told newsmen in a lecture room of Warsaw University. There were differences of opinion at the meeting, but they were not so great that contact would have to be broken off.

The core question was the legalization of the banned Solidarity trade union. "We have become more clever in recent years", the workers' leader said. "We want to be a strong trade union and not a political party." As long as monopolies existed, Solidarity should also speak for political groupings and cannot restrict itself only to trade union problems.

Walesa announced that the "roundtable" negotiations for 6 February—they are due to be continued in working groups shortly after their commencement—have been planned to take place for around 6 weeks. However, this is not a final and firm schedule, as there are a number of difficult problems to solve and one does not wish to allow oneself to be pressured by time.

Walesa Holds News Conference

LD2801143289 Warsaw PAP in English 1141 GMT 28 Jan 89

[By Stanislaw Filipczak and Jan Rozdzynski]

[Text] Warsaw Jan 28—"The 10th PUWP CC Plenary Meeting has provided us with political guarantees for the legalisation of Solidarnosc;" this statement made by Lech Walesa opened his press conference today which followed his talks with General Czeslaw Kiszczak on Friday (January 27).

"For us these guarantees are sufficient," Walesa said and added that he was convinced Poland needs more understanding and, above all, more agreement. "We are doomed to agreement," he said.

Referring to the unrest and strike-prone moods now prevailing in some Polish factories and circles Lech Walesa said:

"It is necessary to build Poland. We shall never solve our problems with strikes. All people in Poland have a good reason to strike but responsibility for this country, responsibility for our future makes us think how to get out of this. I do hope people will pull themselves together, I do hope for understanding and finding a common language."

When he spoke of Solidarnosc after 1981 Walesa said, among other things: "We have learnt a lot. We have a lot of experience, good and bad. We hope we shall be better, wiser, and that we shall eventually reach an agreement in Poland, in the heart of Europe, that will satisfy everyone in this country and in the neighbouring ones."

Asked about the difficult situation of the younger generation, part of which displays its disappointment with the state of affairs, Walesa called for common sense, for trying to sort out and solve all the problems. If we fail to do that, we'll make our situation even worse. There are plenty of problems. I have nothing positive to offer to the young people in exchange. This is my tragedy, our tragedy, but I do believe in the sensibility, wisdom of the Poles for we have always had enough of this wisdom in difficult situation," Walesa said.

How long will the "round table" talks, to start February 6, last? One can hardly unequivocally define this now, Lech Walesa answered. We would like to settle this as swiftly as possible but there are many very important problems to solve. A preliminary estimate is the period of 6 weeks but it can change. Solidarnosc made an effort to appoint the best possible teams to both the main negotiations and to the "smaller tables" to gain the greatest possible advantage.

At the same time, he confirmed that Adam Michnik and Jacek Kuron would take part in this discussion.

What were the most contentious questions in the Friday talks? There were no questions as contentious as to rule out the possibilities of negotiations and finding solutions, answered Lech Walesa.

Many journalists took interest in Walesa's attitude towards well-known personalities and their statements. Commenting on Premier Rakowski's assertion that the authorities and Solidarnosc can somewhere find themselves in the same camp, Walesa recalled: We are in the same country and thus in the same camp.

At another moment, Walesa said that he did not size up actions of OPZZ leader Alfred Miodowicz and the OPZZ All-Poland Alliance of Trade Unions, while Solidarnosc comes out for trade union pluralism and for respecting conventions. It will respect all this but it will demand that the line of conduct towards it should be the same.

Walesa thinks that the crisis was caused by the monopolization of political, trade union, social and economic life and Solidarnosc will try to break up these monopolies but one should not expect economic results too soon.

A new chapter opens up in Poland's domestic relations, Walesa said answering a question about the upcoming Sejm elections. Solidarnosc does not seek the ways of conflict over the elections. Will you run as a candidate? I do not think I can be a Sejm deputy as I am a trade unionist and will not be a candidate, Walesa answered.

Walesa's 23 Jan News Conference Reported

AU0102141789 Warsaw TRYBUNA LUDU in Polish 30 Jan 89 p 6

[PAP report: "Lech Walesa News Conference"]

[Text] Lech Walesa met with domestic and foreign journalists at a news conference in Warsaw on 23 January.

The conference began with short speeches by Tadeusz Mazowiecki and Bronislaw Geremek, who referred to the "roundtable" preparatory meeting the day before. At yesterday's meeting, they said, we tried to carry out the first joint review of the issues that may be discussed at the "roundtable."

The journalists asked Lech Walesa many general and detailed questions about the development of the country's social, political, and economic situation and about the hopes and expectations vested in the "roundtable." Asked which issues are the most difficult ones, L. Walesa said that many of the issues that have already been discussed are difficult, but the fact that a date for the "roundtable" has been fixed shows that they were not so difficult as to rule out the "roundtable."

L. Walesa also spoke out about the prospects for a new social contract, saying that different names like "anti-crisis pact" or "social accord" do not matter. Poland needs accord more than anything, he said. We are condemned to accord. We have to seek it for the sake of young people and us, for the sake of emerging from the crisis and bringing the situation under control, for the sake of the country's security.

The question of "Solidarity" per se, continued L. Walesa, will be precisely established at the "roundtable." Because a kind of new chapter is commencing in Polish internal relations, we are not seeking paths of conflict right now. We hope that conflicts will be eliminated along the path of evolution. Every responsible person must understand that society was not and is not ready for any great party or government decisions.

Asked who will take part in the "roundtable," L. Walesa said: It will be necessary to consider previous personnel compositions. We do not want to change, we just want to adapt ourselves better.

Teachers Demand Higher Wages, Strike in Protest

Spokesman on Teachers' Demands

AU0102174089 Warsaw SZTANDAR MLODYCH in Polish 26 Jan 89 p 2

[Report by Grazyna Minkowska: "Protest Action at Schools in Warsaw, Nowa Huta: More Freedom"]

[Excerpt] [Passage omitted] Andrzej Kawka, Ministry of National Education press spokesman, was asked to comment on the teachers' demands. He said: "The question of wages has dominated this highly charged situation, but the system for determining wages in education is going to change. It will be brought more into line with the system that applies in other state budget areas. Average wages in the material production sphere are to serve as the starting point."

The Sejm has received a draft law, and so we have to wait for its decision.

A. Kawka added: "The changes that are taking place in school self-administration do not just depend on the goodwill of the minister and his colleagues. The situation in schools reflects what is happening in all areas of public life. Independence cannot be established by decree. It is a process. So far, the minister has made certain moves. There is no longer a uniform set of regulations for every school, regulations concerning parents' committees have changed, but, as far as the question of teaching programs is concerned, we will have to wait for the decisions of the committee of experts. However, the elimination of the control department as part of the reorganization of the education ministry can be considered symbolic of the changes that are taking place."

Nowa Huta Teachers Begin Strike

LD2701132989 Warsaw PAP Maritime Press Service in Polish 1200 GMT 27 Jan 89

[Text] The board of the Nowa Huta branch of the Union of Polish Teachers has decided that in protest at wage conditions there will be no school classes in Nowa Huta today. The schools' inspector has said that the teachers' demands are just, but that the form of protest is unacceptable.

Further on Teacher Strike

LD2801031089 Warsaw PAP in English 2342 GMT 27 Jan 89

[Text] Krakow, Jan 27—In tune with the decision of board of the branch of the Polish Teachers Union (ZO ZNP) in Nowa Huta (suburb of Krakow) local teachers staged a protest action by refusing to have classes in Nowa Huta schools today.

The demands of the teachers, supported by teachers of other Krakow districts, include quicker and more consistent introduction of the earlier proclaimed new system of wages and, conseqently, a sharp pay growth combined with greater budgetary spending on education. Kindergarten personnel have joined the strike.

26 out of Nowa Huta's 37 primary schools went on strike and so did 3 out of a 4 grammar schools and 4 out of 12 vocational schools. Some of the schools in city centre support the strikers by hoisting national flags on their building and putting up posters listing the demands in well visible places. A mechanical school in Krakow's district Podgorze released the students home after three lessons to support the ZO ZNP decision.

THE WHITE HOUSE
WASHINGTON

Educational Exellence
Act of 1989
Sent up on April 5, 1989
Lisa Fairhol x. 7362
Legislative Reference
of OMB

BUDGET OF THE UNITED STATES GOVERNMENT



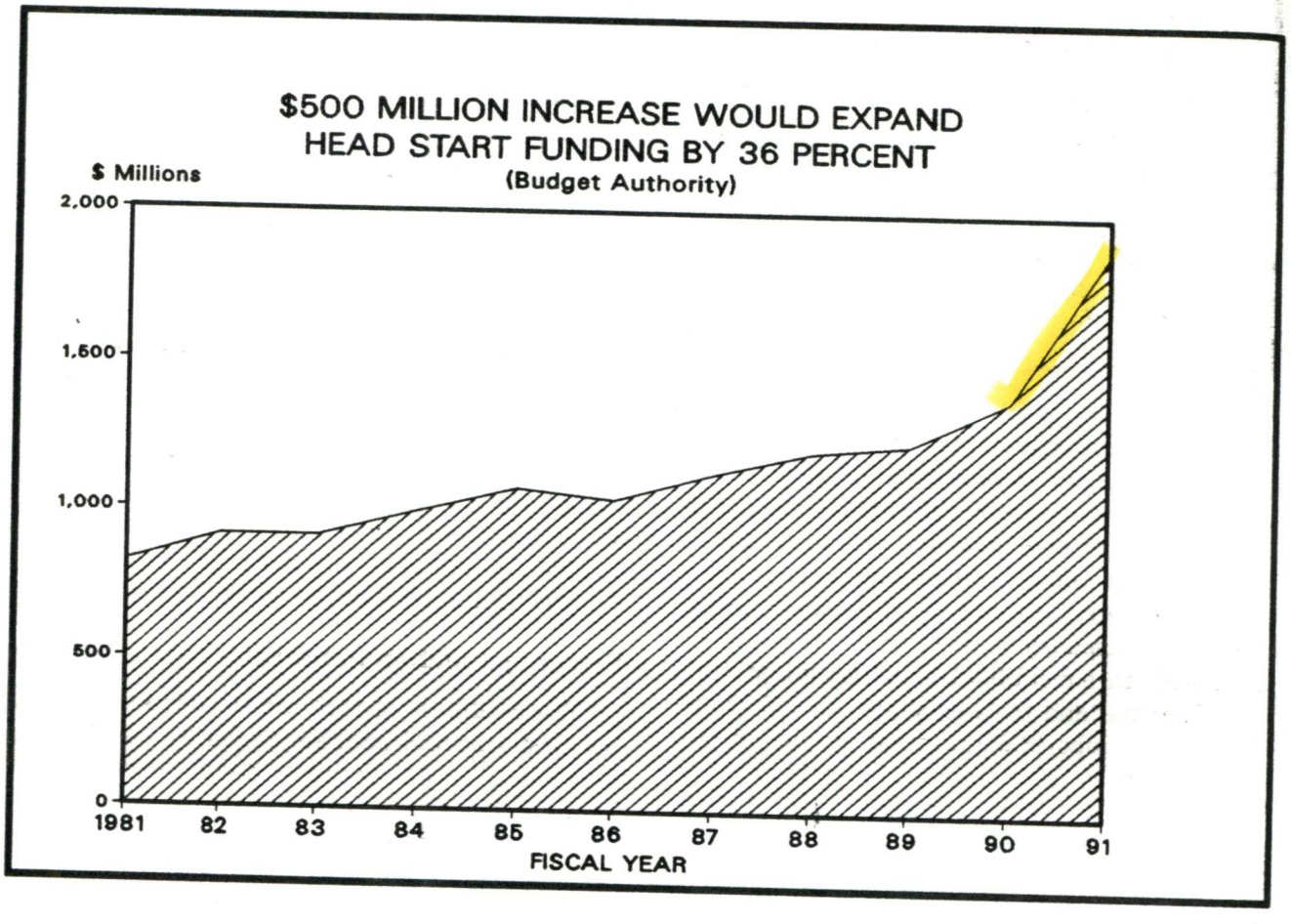
FISCAL YEAR 1991

Barbara Selfridge x 6150
confirmed record increase on Head Start

preparation for the disadvantaged and handicapped.

Head Start.—Head Start is the largest and oldest Federal program designed to prepare young children to succeed in school. Aimed at giving an "equal place at the starting line" to children who face extra challenges in keeping up with their schoolmates, Head Start provides comprehensive educational, medical, nutritional, social and other developmental services to poor, preschool-age children. Because kindergarten is now almost universal for five year olds, the majority of children served by Head Start are four years old.

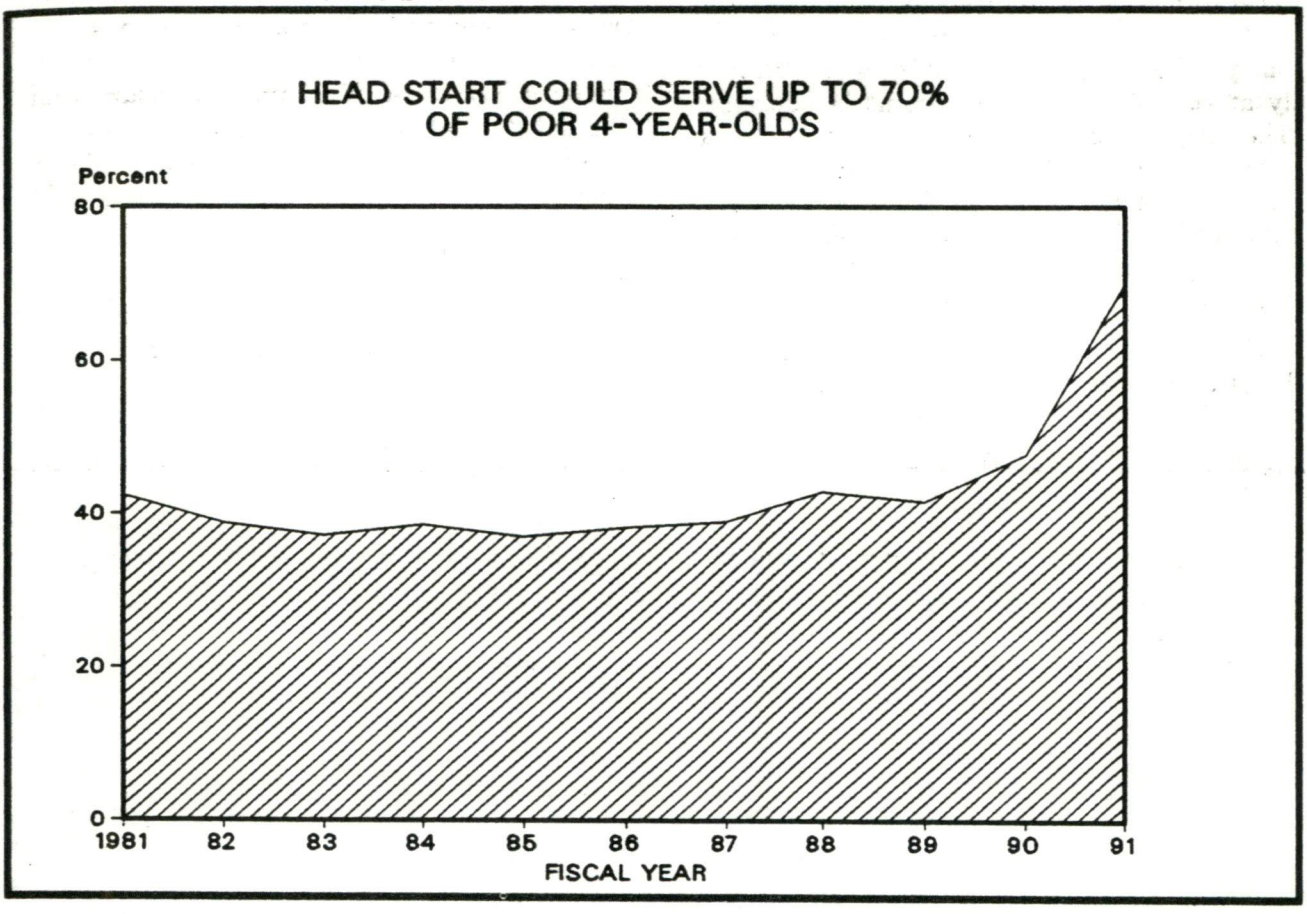
Since its inception in 1965, Head Start has emphasized parental and community involvement. Head Start parents both receive services, such as parenting education, as well as provide services by participating in local program administration, volunteering for program work, and serving as paid staff. (Currently almost one-third of Head Start's paid staff is composed of present and former Head Start parents, including many ex-volunteers who have received credentials in early childhood development.) In total, Head Start volunteers number about 620,000 nationwide, more than the number of children enrolled and eight times the number of paid staff.



Over time Head Start has evolved from an eight week summer program to a program that uses a wide range of organizational and service delivery models to meet the needs of poor children and their families in different communities. For example, projects can be center-based or they can be home-based, depending upon the community being served. Reflecting the close ties that each Head Start project has to its community, local sponsors are diverse, ranging from community action agencies to religious organizations.

Research shows that Head Start children experience substantial immediate gains in cogni-

tive growth, school readiness and achievement. To enable more children, as well as their families, to receive the benefits of Head Start, the budget proposes to increase the program by $500 million in budget authority, to a total of $1.886 billion. This 36 percent increase over the 1990 level would enable Head Start to enroll up to 180,000 more poor four year olds. As a result, the total percentage of eligible children in this age group served could be as high as 70 percent. Because 26 States and the District of Columbia now fund their own preschool programs, and Federal funds support preschool activities other than Head Start as well, the percentage of poor four year olds benefiting from pre-kindergarten programs would be even higher.



Other programs.—Increased resources for Department of Education programs that benefit preschool children are also proposed in the budget.

- Nearly 350,000 children attend pre-kindergarten and kindergarten programs funded under the Chapter 1 Compensatory Education programs. The budget provides substantial increases for grants to school districts to support this and other programs for the educationally disadvantaged, as discussed in the sections that follow.
- Funding for Even Start would double, to $48 million, allowing significantly increased participation in this program designed to provide basic education services to parents together with their children aged one through seven.
- Since 1987, the Department has provided funds to States to develop systems to find, and coordinate services for, handicapped infants and their families. By 1991, every State's system, by law, must be fully operational. The budget provides $83 million for States to maintain these systems.

III.F. PROTECTING THE ENVIRONMENT

Today, a consensus is emerging in our society: investments in maintaining and restoring the health of the environment can now be seen to be responsible investments in the future—if they are made with due care, thought, and foresight.

Much has changed in the 20 years since America intensified attention to its serious environmental problems. A web of basic protections to the Nation's air, water, and land has been constructed; the most egregious examples of destructive practices have been stopped; and emissions by many sources of pollution have been sharply reduced from uncontrolled levels.

Today's environmental challenges are different. America's continuing growth, and the imperative of economic expansion, require an even greater level of sophistication in protecting the environment. Understanding of the nature of environmental problems has increased; but more research is needed. The design of control strategies has improved; but even more creative solutions are needed to address the environmental challenges of the 1990s and of the next century. And while the country has indeed begun the task of addressing its national environmental problems, it has become clear that some of the most pressing environmental concerns are international in scope.

The 1990s will be a crucial decade in determining the legacy this generation leaves to future generations.

The 1991 budget includes a range of initiatives to address this new set of environmental concerns.

Substantial increases are included for programs to improve the stewardship of America's public lands and natural resources; to strengthen enforcement of existing laws; to prevent pollution at the source instead of struggling to clean up the unfortunate results; to redress the history of neglect at Federal facilities around the country; to expand understanding of environmental processes and possible response strategies; and to expand American leadership in tackling international environmental problems.

THE BUDGET PROVIDES OVER $2 BILLION IN NEW SPENDING TO PROTECT THE ENVIRONMENT

(Budget authority in millions of dollars)

Summary of Major Initiatives	1990	1991	Increase
America the Beautiful	361	630	+269
Reforestation	(—)	(175)	(+175)
Protecting America's Wetlands	372	460	+88
EPA Operating Budget	1,936	2,166	+230
Maintaining Environmental Infrastructure (DOI)	488	579	+91
Superfund	1,530	1,740	+210
Federal Facility Cleanup:			
Department of Energy	2,190	2,791	+601
Department of Defense	1,402	1,520	+118
Other Agencies	116	175	+59
Global Change Research	659	1,034	+375
Natural Resources Research	710	814	+104
Proposed Increase for Major Initiatives	—	—	[1] +2,032

[1] Total has been adjusted to eliminate double counting.

EXERCISING RESPONSIBLE STEWARDSHIP OF AMERICA'S NATURAL RESOURCES

America the Beautiful

President Theodore Roosevelt began this century by directing the Nation's attention to the protection of valuable public lands—America's treasure trove of parks, wildlife refuges, forests, and rangelands. It was Roosevelt who identified "the conservation of natural resources and their proper use" as a national problem of fundamental concern.

As the end of the century approaches, it is appropriate that its final decade be one in which conservation, enhancement, and protection of these irreplaceable national assets rises to the forefront of national concerns. The 1991 budget reflects the President's support for appropriate expansion and proper maintenance of the Nation's parks, refuges, forests, and other public lands; his determination to involve all Americans in strengthening the Nation's natural resource heritage; and his firm commitment to providing responsible stewardship of the country's natural assets for the benefit of generations to come.

The budget contains a new initiative, "America the Beautiful", that underscores these Presidential priorities. It would finance expanded land acquisition for the national parks, wildlife refuges, forests, and other public lands. It would launch a new national program of reforestation. And it would provide substantial funds for enhanced recreation, and protection and restoration of key natural resources, under a program called "Legacy '99"—a reflection of the Administration's desire to leave behind a legacy in which these natural resource assets have been restored by the end of the century. The budget supports the America the Beautiful initiative by proposing a 75 percent increase in funding for these activities above 1990 levels.

AMERICA THE BEAUTIFUL

(Budget authority in millions of dollars)

Funding Summary	1990	1991	Proposed increase
Land Acquisition	215	250	+35
Reforestation	—	175	+175
Legacy '99	146	205	+59
Total, America the Beautiful	361	630	+269

Land Acquisition.—The President believes that America's national system of parks, wildlife refuges, forests, and other public lands should be expanded and passed on in better shape than they are now.

In 1990, the Administration proposed new funds for the first time in several years for Federal acquisition of lands with particularly high value for the environment and for recreation purposes. The $215 million program to which the President and the Congress agreed will preserve these lands for public purposes and increase the value of the assets passed on to future generations.

The 1991 budget proposes to expand this program of acquiring high priority lands by creating a new America the Beautiful fund. Funds for land acquisition would be provided, as in the past, through annual appropriations from the Land and Water Conservation Fund. The America the Beautiful initiative would fund the purchase of $1 billion of key land and water resources over the next 4 years.

The America the Beautiful fund will also be able to join in partnership with private parties and State and local governments to maximize the significance of the purchases it makes and the overall value of land set aside for public purposes.

Concurrent with the submission of this budget, the Administration will propose to the Congress a priority listing of lands to be acquired by the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management, and the Forest Service with the $250 million proposed for acquisition through America the Beautiful in 1991. This list has been developed through a competitive rating system, in which particular importance was placed on the extent to which a potential acquisition parcel contains valuable wetlands, is in proximity to population centers, has the potential to offer increased recreational opportunities to the public, is important for the protection of endangered species, or possesses other characteristics which make its early acquisition for public purposes of special importance. An explanation of the rating system will be provided to the Congress with the list of priority acquisitions.

Reforestation: Planting Trees for America's Future.—Recent years have witnessed growing attention to global environmental trends, a strong upsurge in the concern of the American people about the national and international environment, and an increased willingness on the part of individual Americans to take personal responsibility for their environmental future.

The 1991 budget contains funds for a major reforestation initiative which will serve both to address emergent environmental concerns and to encourage the involvement of communities, corporations, State and local governments and individuals in creating solutions. The budget proposes $175 million for the first year of a multi-year initiative with twin objectives: planting a billion trees a year on private land across America; and launching a community trees program, designed to plant another 30 million trees in communities across the country.

Trees are a remarkably valuable resource. In addition to their obvious value as the source of wood products and habitat for all manner of wildlife, trees can be a "sink" for carbon dioxide emissions—and thus can help to address any effect that increases in CO_2 emissions from human activities may have.

Trees are roughly 50 percent carbon. As they grow, trees remove carbon from the air and store it as plant tissue. A single forest tree absorbs 26 pounds of carbon dioxide (CO_2) a year, and an acre of trees can remove 2½ to nine tons of CO_2.

Trees are valuable as a source of energy conservation for homes and businesses. In the summer, the shade provided by trees can greatly reduce cooling requirements. In winter, deciduous trees allow sunlight through to a home, and closely placed, dense conifers near a home can save up to 20 percent in fuel costs.

Trees can provide forest buffer strips which reduce the flow of nutrients and pesticides associated with agricultural production into the Nation's waterways. Planting timber on certain highly erodible and marginally productive croplands can produce a higher return on those lands than many other crops.

Currently, about 3½ million acres of public and private lands are planted in trees and seedlings annually. This is up from the approximately ½ million acres of 40 years ago. Nevertheless, the U.S. experiences a net loss of about 700,000 acres of forest land per year.

Much of America's 730 million acres of forests lies on Federal and State lands or on lands owned by large, commercial forest products enterprises. The Federal government currently undertakes substantial reforestation activities on lands under its jurisdiction: last year, nearly 200 million trees were planted on National Forest lands; and another 27 million trees were planted on Department of the Interior lands, principally those managed by the Bureau of Land Management. Some of the lands enrolled in the Conservation Reserve Program (CRP) since 1986 have been forested.

But almost half of America's forest land is private land that is not used by large enterprises in the forest products industry. This private, non-industrial forest land, due to low levels of management and investment, tends to be in poor condition. Thus, reforestation and stand improvement investment on these lands

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can yield an especially high level of CO_2 sequestration and other benefits.

Most private landowners neither seek nor receive technical advice concerning timber management or reforestation practices; less than a third of those who actually harvest timber have a management plan before the harvest.

The budget includes $110 million designed primarily to improve the management and encourage the reforestation of these lands. Specifically, the government will provide cost-shared assistance through the Forest Service and State forestry agencies to encourage small lot owners to plant trees and undertake other improved practices on private non-industrial lands and marginal agricultural lands. The initiative also would provide grants to State forestry agencies to allow them to provide needed materials, direct technical assistance, and seedlings to private landowners, municipal arborists, and community groups.

The goal of the program is to achieve the planting of trees on over one and one-half million acres of private land annually, and timber stand improvement and other stewardship activities on another 180,000 acres.

The Community "Plant a Tree" Initiative.—A second promising target of reforestation assistance is community trees. These include street trees, trees in local parks, community forests, and residential trees. Available information indicates that community trees are declining in number and in health. One recent survey found that in most American cities, only one tree is planted for every four removed. Moreover, because of their location in population centers, studies indicate that community trees have up to 15 times as much value in overall reduction of CO_2 as forest trees.

Thus, a second element of the President's plan to promote reforestation, provided for in the budget, will be to assist in the creation of tree planting programs in every community in America. The President is asking every town and city, every school and university, every company and indeed every citizen to join together in planting trees for America's future.

The budget contains $30 million in funding needed to provide leadership, coordination and technical assistance to support this massive volunteer effort. In addition, the Administration will submit legislation to the Congress to establish a private, non-profit foundation to lend further leadership and help build broad-based support for planting trees in communities across the Nation.

The Foundation will be capitalized with a one-time appropriation of $35 million in funds from the community tree initiative, with which it will promote public awareness, solicit financial and non-financial support, and, most importantly, mobilize individuals, business, governments, and community organizations in cities and towns throughout America. The goal of the plant a tree initiative is to plant 30 million trees in various communities every year.

In total, the tree planting programs supported by the budget can have a substantial impact on sequestration of CO_2 emissions by the United States. Initial estimates are that the one billion trees a year envisioned in the President's reforestation initiatives could absorb 13 million tons of CO_2 per year, and thus sequester up to 5 percent of annual U.S. CO_2 emissions within 20 years. And they will help greatly to improve wildlife habitat and water and air quality, and to increase outdoor recreation opportunities.

Enhancing Recreation and Restoring Natural Resources: Legacy '99.—A third component of America the Beautiful, beyond land acquisition and reforestation, is designed to focus Federal funding and expertise on a wide range of threatened natural resource treasures and key recreational areas in need of improvement. The Department of the Interior is committed to accomplishing these improvements by the end of the decade—its 150th anniversary as a Department—and hence has designated the effort "Legacy '99."

The budget includes $205 million, an increase of 40 percent above 1990, for improved resource protection and restoration (including wetlands conservation and endangered species activities) and enhanced recreational opportunities in national parks, wildlife refuges, and other public lands. Included in Legacy '99 are funds for certain resources that are of special importance:

- $15 million for vitally needed restoration of natural water flows at Everglades National Park in Florida, as authorized by legislation signed by the President in December.
- $15 million for a new partnership to restore wetlands that serve as critical migratory bird flyways. This effort, authorized by the North American Wetlands Conservation Act also signed by the President in December, will be conducted jointly by the Department of the Interior, various State governments, the Canadian and Mexican governments, and a number of private conservation organizations. It serves as a model public-private partnership to protect the environment.
- $2 million to accelerate the acquisition of water rights from willing sellers in order to help restore the important Stillwater National Wildlife Refuge in Nevada, where thousands of birds have been dying because of a lack of clean water.

Protecting America's Wetlands

The President has endorsed a national goal of no overall net loss of wetlands. Over the coming year, the White House Domestic Policy Council Task Force on Wetlands will continue soliciting public input and working to develop a comprehensive set of recommendations to achieve that ambitious national objective. The Task Force is considering a broad range of issues, including both regulatory and non-regulatory approaches to protecting the Nation's wetlands resources.

The budget proposes an increase of $88 million, 24 percent above 1990, for wetlands research, protection, preservation, and enhancement. This follows a 32 percent increase in 1990.

FUNDING FOR WETLANDS RESEARCH, PROTECTION AND ENHANCEMENT WILL INCREASE BY 24 PERCENT

(Budget authority in millions of dollars)

Wetlands Funding	1989	1990	1991
Department of the Interior	95	122	[1] 155
Department of Agriculture	49	83	97
Environmental Protection Agency	9	12	21
Army Corps of Engineers	109	130	159
National Oceanic and Atmospheric Administration	19	25	28
Total	281	372	460

[1] Includes about $100 million categorized as part of America the Beautiful.

Managing America's National Forests

Next year will mark the centennial anniversary of the establishment of America's first National Forest, the Shoshone National Forest in Wyoming. Today, the National Forest system encompasses 191 million acres spread over 42 States—some 10 percent of the United States land mass.

The centennial anniversary provides an excellent impetus for consideration of ways to improve the management of this invaluable national resource. The national forests are the source of billions of board feet of timber harvest each year (estimated at over 11 billion in 1990), generating both many thousands of jobs and an array of forest products for both the domestic and export markets. Receipts from timber sales from national forests provide

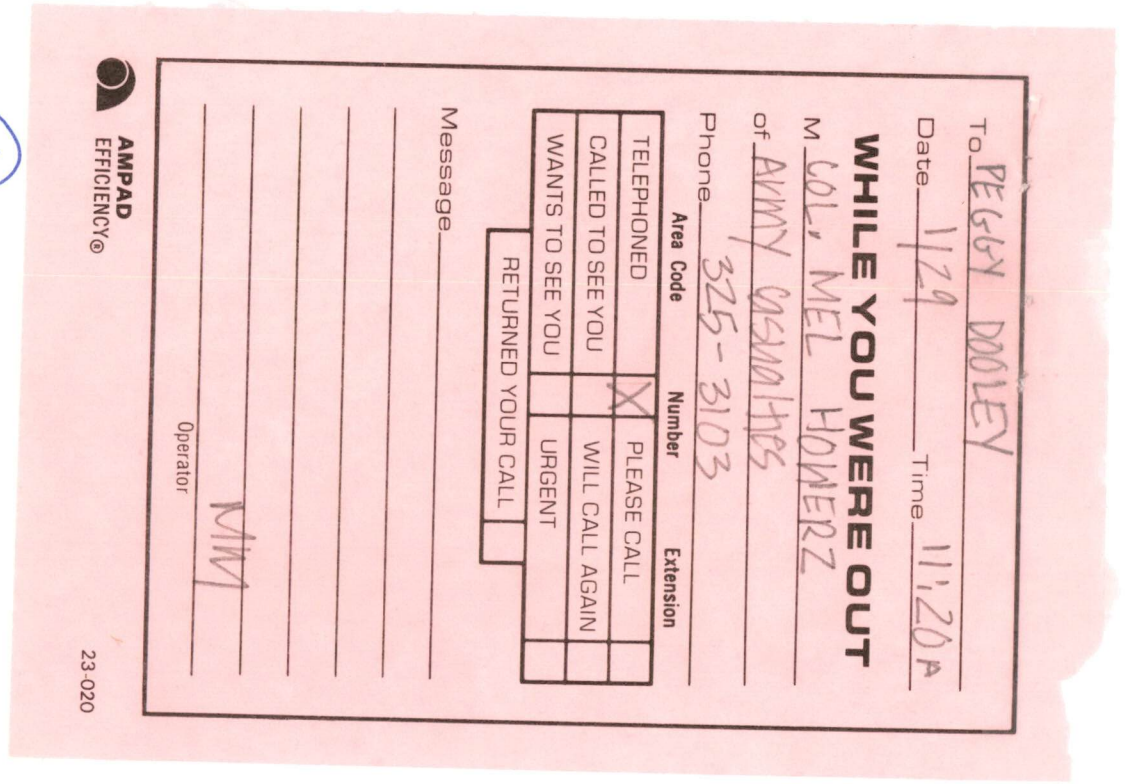
THE WHITE HOUSE
WASHINGTON

chuted
just landed on drop
zone - ~~Tocumen Air~~
Tocumen Airfield.
(Panamanian airport)
moving to drop zone to
objective - to secure towers,
etc.
- initial assault - part of
01:00

1st Battalion - 75th Ranger regiment (2/3000)
Hunter Army Airfield - GA

600 men

Feb 89 - entered
in army ~ 10 mos.



could our free world regain the ground, the time, the sheer momentum, lost by such a move. There can and should be changes and improvements in our programs, to meet new situations, serve new needs. But to desert the spirit of our basic policies, to step back from them now, would surely start the free world's slide toward the darkness that the communists have prophesied—toward the moment for which they watch and wait.

If we value our freedom and our way of life and want to see them safe, we must meet the challenge and accept its implications, stick to our guns and carry out our policies.

I have set out the basic conditions, as I see them, under which we have been working in the world, and the nature of our basic policies. What, then, of the future? The answer, I believe, is this: As we continue to confound Soviet expectations, as our world grows stronger, more united, more attractive to men on both sides of the iron curtain, then inevitably there will come a time of change within the communist world. We do not know how that change will come about, whether by deliberate decision in the Kremlin, by coup d'etat, by revolution, by defection of satellites, or perhaps by some unforeseen combination of factors such as these.

But if the communist rulers understand they cannot win by war, and if we frustrate their attempts to win by subversion, it is not too much to expect their world to change its character, moderate its aims, become more realistic and less implacable, and recede from the cold war they began.

Do not be deceived by the strong face, the look of monolithic power that the communist dictators wear before the outside world. Remember their power has no basis in consent. Remember they are so afraid of the free world's ideas and ways of life, they do not dare to let their people know about them. Think of the massive effort they put forth to try to stop our Campaign of Truth from reaching their people with its message of freedom.

The masters of the Kremlin live in fear their power and position would collapse were their own people to acquire knowledge, information, comprehension about our free society. Their world has many elements of strength, but this one fatal flaw: the weakness represented by their iron curtain and their police state. Surely, a social order at once so insecure and so fearful, must ultimately lose its competition with our free society.

Provided just one thing—and this I urge you to consider carefully—provided that the free world retains the confidence and the determination to outmatch the best our adversary can accomplish and to demonstrate for uncertain millions on both sides of the iron curtain the superiority of the free way of life.

That is the test upon all the free nations; upon none more than our own Republic.

Our resources are equal to the task. We have the industry, the skills, the basic economic strength. Above all, we have the vigor of free men in a free society. We have our liberties. And while we keep them, while we retain our democratic faith, the ultimate advantage in this hard competition lies with us, not with the communists.

But there are some things that could shift the advantage to their side. One of the things that could defeat us is fear—fear of the task we face, fear of adjusting to it, fear that breeds more fear, sapping our faith, corroding our liberties, turning citizen against citizen, ally against ally. Fear could snatch away the very values we are striving to defend.

Already the danger signals have gone up. Already the corrosive process has begun. And every diminution of our tolerance, each new act of enforced conformity, each idle accusation, each demonstration of hysteria—each new restrictive law—is one more sign that we can lose the battle against fear.

The communists cannot deprive us of our liberties—fear can. The communists cannot stamp out our faith in human dignity—fear can. Fear is an enemy within our-

PUBLIC PAPERS OF THE PRESIDENTS

OF THE UNITED STATES

Harry S. Truman

Containing the Public Messages, Speeches and Statements of the President

JANUARY 1, 1952, TO JANUARY 20, 1953

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THE STATE OF THE UNION ADDRESS TO CONGRESS

101ST CONGRESS • SECOND SESSION

BY

PRESIDENT GEORGE BUSH

JANUARY 31, 1990 • WASHINGTON, D.C.

PRESIDENTIAL ADDRESS:
STATE OF THE UNION

WEDNESDAY, JANUARY 31, 1990

Mr. President, Mr. Speaker, members of the United States Congress: I return as a former President of the Senate, and former member of this great House. Now, as President, it is my privilege to report to you on the State of the Union.

Tonight, I come not to speak about the "state of the government"—not to detail every new initiative we plan for the coming year, nor to describe every line item in the budget. I'm here to speak to you and to the American people about the State of the Union—about our world—the changes we've seen, the challenges we face. And what that means for America.

There are singular moments in history: dates that divide all that goes before from all that comes after. Many of us in this chamber have lived much of our lives in a world whose fundamental features were defined in 1945. The events of that year decreed the shape of nations. The pace of progress. Freedom or oppression for millions of people around the world.

The year 1945 provided the common frame of reference—the compass points of the post-war era we've relied upon to understand ourselves. That was our world. Until now. The events of the year just ended—the revolution of '89—have been a chain reaction—change so striking that it marks the beginning of a new era in the world's affairs.

Think back—just twelve short months ago—to the world we knew—as 1989 began.

One year ago, the people of Panama lived in fear, under the thumb of a dictator. Today, democracy is restored—Panama is free.

Operation "JUST CAUSE" has achieved its objective. The number of military personnel in Panama is now close to what it was before the operation began. And tonight, I am announcing that—well before the end of February—of the additional numbers of American troops—the brave men and women of our Armed Forces who made this mission a success—will be back home.

A year ago in Poland, Lech Walesa declared that he was ready to open a dialogue with the communist rulers of that country. Today, with the future of a free Poland in their own hands, members of Solidarity lead the Polish Government.

A year ago, freedom's playwright, Vaclav Havel, languished as a prisoner in Prague. Today, it's Vaclav Havel—President of Czechoslovakia.

And one year ago, Erich Honecker of East Germany claimed history as his guide. He predicted the Berlin Wall would last another hundred years. Today—less than one year later—it's the Wall that's history.

Remarkable events—events that fulfill the long-held hopes of the American people . . . Events that validate the long-standing goals of American policy—a policy based on a single, shining principle: the cause of freedom.

America—not just the nation—but an idea, alive in the minds of people everywhere. As this new world takes shape, America stands at the center of a widening circle of freedom—today, tomorrow and into the next century.

Our nation is the enduring dream of every immigrant who ever set foot on these shores—and the millions still struggling to be free. This nation—this idea called America—was and always will be—a new world. Our new world.

At a workers' rally—in a place called Branik on the outskirts of Prague—the idea called America is alive. A worker, dressed in grimy overalls, rises to speak at the factory gates. He begins his speech to his fellow citizens with these words—words of a distant revolution:

"We hold these truths to be self-evident. That all men are created equal, that they are endowed by their Creator with certain unalienable rights, [and] that among these are life, liberty and the pursuit of happiness."

It's no secret that, here at home, freedom's door opened long ago. The cornerstones of this free society have already been set in place: Democracy. Competition. Opportunity. Private investment. Stewardship. And, of course, leadership.

Our challenge today is to take this democratic system of ours—a system second to none—and make it better.

A better America, where there's a job for everyone who wants one.

Where women working outside the home can be confident their children are in safe and loving care—and where government works to expand child care alternatives for parents.

Where we reconcile the needs of a clean environment and a strong economy.

Where "Made in the U.S.A." is recognized around the world as the symbol of quality and progress.

Where every one of us enjoys the same opportunities to live, to work, and to contribute to society. And where, for the first time, the American mainstream includes all of our disabled citizens.

Where everyone has a roof over his head—and where the homeless get the help they need to live in dignity.

Where our schools challenge and support our kids and our teachers—and where all of them make the grade.

Where every street, every city, every school and every child is drug-free.

And finally, where no American is forgotten. Our hearts go out to our hostages—our hostages who are ceaselessly on our minds and in our efforts.

That's part of the future we want to see—the future we can make for ourselves. But dreams alone won't get us there. We need to extend our horizon—commit to the long-view. Our plans for the future start today.

In the tough competitive markets around, America faces great challenges and great opportunities. We know that we can succeed in the global economic arena of the 90's, but to meet that challenge we must make some fundamental changes—some crucial investments in ourselves.

Yes—we are going to invest in America. This Administration is determined to encourage the creation of capital—capital of all kinds. Physical capital: everything, from our farms and factories to our workshops and production lines, all that is needed to produce and deliver quality goods and quality services. Intellectual capital: the source of ideas that spark tomorrow's products. And of course, our human capital: the talented workforce we'll need to compete in the global market.

And let me tell you: if we ignore human capital—we lose the spirit of American ingenuity—the spirit that is the hallmark of the American worker. And the American worker is the most productive worker in the world.

We need to save more—expand the pool of capital for the new investments that mean more jobs, more growth. That's the idea behind a new initiative I call the Family Savings Plan, which I will send to the Congress tomorrow.

We need to cut the tax on capital gains—encourage risk-takers—especially those in our small businesses—to take those steps that translate into economic reward, jobs, and a better life for all of us.

We'll do what it takes to invest in America's future. The budget commitment is there. The money is there. It's there for Research and Development, R&D—a record high. It's there for our housing initiative—HOPE, to help everyone from first-time home-buyers to the homeless. The money's there to keep our kids drug-free: 70% more than when I took office in 1989. It's there for space exploration—and it's there for education: another record high.

And one more thing: last fall at the Education Summit, the Governors and I agreed to look for ways to help make sure kids are ready to learn—the very first day they walk into that classroom. I've made good on that commitment—by proposing a record increase in funds—an extra one-half billion dollars—for something near and dear to all of us: Head Start.

Education is the one investment that means more for our future because it means the most for our children. Real improvement in our schools is not simply a matter of spending more. It is a matter of asking more—expecting more: of our schools, our teachers, of our kids, and our parents and ourselves. That's why tonight I am announcing America's education goals—goals developed with the nation's Governors:

By the year 2000, every child must start school ready to learn.

The United States must increase the high school graduation rate to no less than 90%.

And we're going to make sure our schools' diplomas mean something: in critical subjects—at the 4th, 8th and 12th grades—we must assess our students' performance.

By the year 2000, U.S. students must be first in the world in math and science achievement.

Every American adult must be a literate worker and citizen.

Every school must offer the kind of disciplined environment that makes it possible for our kids to learn—and every school in America must be drug-free.

Ambitious aims? Of course. Easy to do? Far from it. But the future's at stake. This nation will not accept anything less than excellence in education.

These investments will keep America competitive. And I know this about the American people: we welcome competition. We'll match our ingenuity and energy—our experience and technology—our spirit and enterprise—against anyone. Let the competition be free—but let it be fair. America is ready.

Since we really mean it—and since we are serious about being ready to meet that challenge—we're getting our own house in order. We've made real progress. Seven years ago, the federal deficit was 6% of our Gross National Product. In the new budget I sent up two days ago—the deficit is down to 1% of GNP.

That budget brings federal spending under control. It meets the Gramm-Rudman target. Brings that deficit down further. And balances the budget by 1993—with no new taxes.

And let me tell you, there's still more than enough federal spending. For most of us, 1.2 trillion dollars is a lot of money.

And once the budget is balanced, we can operate the way every family must when it has bills to pay. We won't leave it to our children and grandchildren. We will start paying off the national debt.

And there's something more we owe the generations of the future: stewardship—the safekeeping of America's precious environmental inheritance.

As just one sign of how serious we are, we will elevate the Environmental Protection Agency to cabinet rank. Not more bureaucracy, not more red tape—but the certainty that here at home, and in our dealings with other nations, environmental issues have the status they deserve.

This year's budget provides over $2 billion in new spending to protect our environment, with over $1 billion for global change research. And a new initiative I call "America the Beautiful"—to expand our national parks and wildlife preserves and improve recreational facilities on public lands.

And something else: something that will help keep this country clean, from our forestland to our inner cities, and keep America beautiful for generations to come—the money to plant a billion trees a year.

And tonight, let me say again to all the members of Congress: The American people did not send us here to bicker. There's work to do—and they sent us here to get it done. And once again, I offer my hand to all of you. Let's work together to do the

will of the people. Clean Air. Child Care. The Educational Excellence Act. Crime and Drugs. It's time to act. The farm bill. Transportation policy. Product liability reform. Enterprise Zones. It's time to act together.

And there's one thing I hope we'll all be able to agree on. It's about our commitments. I'm talking about Social Security.

To every American out there on Social Security, to every American supporting that system today, and to everyone counting on it when they retire: We made a promise to you—and we are going to keep it.

We rescued the system in 1983—and it's sound again. Our budget fully funds today's benefits—and it assures that future benefits will be funded as well. The last thing we need to do is mess around with Social Security.

There's one more problem we need to address. We must give careful consideration to the recommendations of the health care studies now underway. That's why tonight, I am instructing Dr. Louis Sullivan—Secretary of Health and Human Services—to lead a Domestic Policy Council review of recommendations on the quality, accessibility and cost of our nation's health care system. I am committed to bring the staggering costs of health care under control.

The "state of the government" does indeed depend on many of us in this very Chamber. But the State of the Union depends on all Americans. We must maintain the democratic decency that makes a nation out of millions of individuals. I have been appalled at the recent mail bombings across this country. Every one of us must confront and condemn racism. Anti-semitism. Bigotry and hate. Not next week, not tomorrow, but right now.

The State of the Union depends on whether we help our neighbor—claim the problems of our community as our own. We've got to step forward when there's trouble—lend a hand, be what I call a point of light to a stranger in need. We've got to take the time after a busy day to sit down and read with our kids. Help them with their homework. Pass along the values we learned as children. That's how we sustain the State of the Union.

Every effort is important. It all adds up—it's doing the things that give democracy meaning. It all adds up to who we are—and who we will be.

And let me say, that so long as we remember the American idea—so long as we live up to the American ideal—the State of the Union will remain sound and strong.

And to those who worry we have lost our way—well, I want you to listen to parts of a letter written by James Markwell—PFC James Markwell, a 20-year-old Army medic of the 1st Battalion, 75th Rangers. It's dated December 18th—the night before our Armed Forces went into action in Panama. It's a letter servicemen write—and hope will never be sent. Sadly, Private Markwell's mother did receive this letter. And she passed it on to me.

Here is some of what he wrote: "I have never been afraid of death, but now he is waiting at the corner. . . . I have been trained to kill and to save, so has everyone else. I am frightened of what lays beyond the fog, yet . . . Do not mourn for me, revel in

the life that I have died to give you. . . . But most of all, don't forget that the Army was my choice. Something that I wanted to do."

"Remember I joined the Army to serve my country and insure that you are free to do what you want and live your lives freely."

Private Markwell was among the first to see battle in Panama, and one of the first to fall.

He knew what he believed in. He carried the idea we call America in his heart.

I began tonight speaking about the changes we've seen this past year. There is a new world of challenges and opportunities before us. And there is a need for leadership that only America can provide.

Nearly forty years ago, in his last address to the Congress, President Harry Truman predicted such a time would come. He said: "As our world grows stronger, more united, more attractive to men on both sides of the iron curtain, then inevitably there will come a time of change within the communist world."

Today, that change is taking place.

For more than forty years, America and its allies held communism in check, and ensured that democracy would continue to exist. Today, with communism crumbling, our aim must be to ensure democracy's advance. To take the lead in forging peace and freedom's best hope—a great and growing commonwealth of free nations.

To the Congress and to all Americans, I say it is time to acclaim a new consensus at home and abroad—a common vision of the peaceful world we want to see.

Here in our own hemisphere, it's time for all the people of the Americas—North and South—to live in freedom.

In the Far East and Africa, it is time for the full flowering of free governments and free markets that have served as the engine of progress.

It is time to offer our hand to the emerging democracies of Eastern Europe. So that continent—for too long a continent divided—can see a future whole and free.

And it's time to build on our new relationship with the Soviet Union—to endorse and encourage a peaceful process of internal change toward democracy and economic opportunity.

We are in a period of great transition, great hope, yet great uncertainty. We recognize that the Soviet military threat in Europe is diminishing, but we see little change in Soviet strategic modernization. Therefore, we must sustain our own strategic offense modernization and the Strategic Defense Initiative.

But the time is right to move forward on a conventional arms control agreement to move us to more appropriate levels of military forces in Europe—a coherent defense program that ensures the U.S. will continue to be a catalyst for peaceful change in Europe. I've consulted with leaders of NATO—and in fact, I spoke by phone with President Gorbachev, just today.

I agree with our European allies that an American military presence in Europe is essential—and that it should not be tied solely to the Soviet military presence in Eastern Europe.

But troop levels can still be lower. So tonight, I am announcing a major new step—for a further reduction in U.S. and Soviet manpower in Central and Eastern Europe to 195,000 on each side.

This number reflects the advice of our senior military advisors. It is designed to protect American and European interests—and sustain NATO's defense strategy. A swift conclusion to our Arms control talks—convention, chemical and strategic—must now be our goal. That time has come.

Still, we must recognize an unfortunate fact: In many regions of the world tonight, the reality is conflict—not peace. Enduring animosities and opposing interests remain. Thus, the cause of peace must be served by an America strong enough—and sure enough—to defend our interests and ideals. It's this American idea that for the past four decades helped inspire the Revolution of '89.

Here at home—and in the world—there is history in the making—and history to be made. Six months ago, early in this season of change, I stood at the gates of the Gdansk Shipyard in Poland at the monument to the fallen workers of Solidarity. It's a monument of simple majesty. Three tall crosses rise up from the stones. Atop each cross, an anchor—an ancient symbol of hope.

The anchor in our world today is freedom. Holding us steady in times of change—a symbol of hope to all the world. And freedom is at the very heart of the idea that is America.

Giving life to that idea depends on every one of us. Our anchor has always been faith and family.

In the last few days of this past momentous year, our family was blessed once more—celebrating the joy of life when a little boy became our 12th grandchild.

When I held the little guy for the first time, the troubles at home and abroad seemed manageable—in perspective.

Now, I know you're thinking: That's a grandfather talking.

Well, maybe you're right. But I've met a lot of children this past year—across this country, and everywhere from the Far East to Eastern Europe. All kids are unique. Yet, all kids are alike. The budding young environmentalists I met this month, who joined me exploring the Florida Everglades. The little leaguers I played catch with in Poland—ready to go from Warsaw to the World Series. Even the kids who are ill or alone—God bless those boarder babies, born addicted to drugs—coping with problems no child should have to face. But, you know, when it comes to hope and the future: Every kid is the same. Full of dreams. Ready to take on the world. All special: because they are the very future of freedom. To them belongs this new world I've been speaking about.

So tonight I'm going to ask something of every one of you. Let me start with my generation—with the grandparents out there. You are our living link to the past. Tell your grandchildren the story of struggles waged, at home and abroad. Of sacrifices

freely made for freedom's sake. And tell them your own story as well—because every American has a story to tell.

Parents: your children look to you for direction and guidance. Tell them of faith and family. Tell them we are one nation under God. Teach them that of all the many gifts they can receive, liberty is their most precious legacy. And of all the gifts they can give, the greatest . . . the greatest is helping others.

And to the children and young people out there tonight—with you rests our hope—all that America will mean in the years and decades ahead. Fix your vision on a new century—your century. On dreams we cannot see. On the destiny that is yours—and yours alone.

And finally, let all Americans—all of us together here in this Chamber, the symbolic center of democracy—affirm our allegiance to this idea we call America. And let us all remember that the State of the Union depends on each and every one of us.

God bless all of you. And may God bless this great Nation, the United States of America.

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6TH STORY of Level 1 printed in FULL format.

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December 20, 1989, Wednesday, Late Edition - Final

SECTION: Section A; Page 1, Column 6; Foreign Desk

LENGTH: 1698 words

HEADLINE: U.S. TROOPS MOVE IN PANAMA IN EFFORT TO SEIZE NORIEGA; GUNFIRE IS HEARD IN CAPITAL

BYLINE: By MICHAEL R. GORDON, Special to The New York Times

DATELINE: WASHINGTON, Wednesday, Dec. 20

BODY:

The United States launched a military operation in Panama early this morning designed to topple the Government of Gen. Manuel Antonio Noriega.

Reports from Panama said that American troops and tanks were moving on General Noriega's headquarters, with mortar and machine gunfire echoing through the city. American citizens were ordered by the American military command in Panama to stay off the streets.

Administration officials said the military action was code-named Operation Echo. The United States maintains 12,000 troops, most combat forces, in Panama, and additional units were flown into the country on Tuesday to assist in the operation.

First Strike Since Libya

The operation was the most dramatic foreign policy move of the Bush Administration and the first time that United States military forces have been sent into combat since the air strike against the Libyan leader, Col. Muammar el-Qaddafi, in April 1986. The last large-scale engagement by American ground forces took place during the invasion of Grenada in October 1983.

Since taking office, Mr. Bush has been frustrated by failed efforts to encourage the ouster of General Noriega, who is accused by the Administration of being a major sponsor of illicit drug trafficking. The White House was criticized in October for failing to take steps to support an effort by elements of the Panama Defense Forces to remove General Noriega.

It was not clear whether the White House consulted with Congressional leaders about the military action, or notified them in advance. Thomas S. Foley, the Speaker of the House, said on Tuesday night that he had not been alerted by the Administration.

Troops Flown In

The first indications that military action was imminent came during the day Tuesday when Washington added to its forces in Panama, flying troops and equipment into American military bases.

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American troop transport planes, apparently carrying members of the 82d Airborne Division from Fort Bragg, N.C., landed in Panama. The exact number of arriving troops was not known.

Administration officials refused on Tuesday to discuss the deployment of troops but hinted to reporters that some kind of military action was imminent by suggesting that they be prepared for further developments during the night. Officially, the Pentagon confirmed only that the 82d Airborne was conducting maneuvers, and officials suggested indirectly that they were related to the situation in Panama.

On Tuesday, President Bush presented a business-as-usual image, joining singers in Christmas carols at a holiday party at the White House. Brent Scowcroft, the President's national security adviser, slipped away from the party and joined his deputy, Robert M. Gates, in Mr. Scowcroft's White House office late at night. There also were late-night meetings in the Pentagon. Earlier in the day, Mr. Bush met in the Oval Office with top advisers, including Defense Secretary Dick Cheney; Gen. Colin L. Powell, the Chairman of the Joint Chiefs of Staff; Attorney General Dick Thornburgh and Vice President Dan Quayle. The White House described the meeting as a discussion of a wider role for the military in combating drug trafficking. The meeting lasted about half an hour longer than scheduled, an Administration official said.

Earlier this year, after tensions between the United States and Panama flared, President Bush dispatched reinforcements to Panama to augment the 12,000 American troops stationed there. No military action was taken at the time.

The latest troop movement came as the Administration described the situation in Panama as deteriorating, and members of Congress urged the Government to respond with caution to the killing of an American Marine lieutenant.

The State Department spokeswoman, Margaret D. Tutwiler, said the United States was taking General Noriega's declaration of war last week more seriously after the killing on Saturday night of the lieutenant and the wounding of another officer at a roadblock.

''Noriega's irresponsible declaration of a state of war last week, followed only hours later by indiscriminate and unprovoked violence against Americans clearly increases tension in Panama, '' Miss Tutwiler said. ''We find the unwarranted use of violence against Americans by the Noriega regime unacceptable.''

'Very Difficult Atmosphere'

She added that Panama's declaration of a state of war against the United States last Friday has ''a little different meaning right now in light of events that are going on down in Panama. ''

The Pentagon spokesman, Pete Williams, described the situation as ''deteriorating,'' while the White House spokesman, Marlin Fitzwater, said the Bush Administration continued to leave open the possibility of military action. ''What you have is a very difficult atmosphere in Panama right now,'' said Mr. Williams, adding: ''Things are very tense. People fear for their lives in Panama right now.''

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(c) 1989 The New York Times, December 20, 1989

Security in front of the Panamanian military headquarters appeared lighter than in recent days. A military vehicle on which a machine gun was mounted was pulled back this evening. But nearby streets remained barricaded, and soldiers were stationed along key roads behind sandbags and stacks of tires.

United States security officers briefly detained two reporters and a photographer who entered the base to check rumors that United States troops were massing in preparation for a strike. The officials seized the journalists' notes and film and, ignoring repeated requests, insisted on reading the notebooks.

At several times, the man who appeared to be the commander of the group promised to identify himself and his unit after finishing the search of the journalists, but he then reneged. ''I guess I lied, didn't I,'' he said. Mr. Williams said Tuesday that elements of the Army's 18th Airborne Corps were conducting emergency deployment readiness exercises.

The 18th Airborne is the Army's fast-reaction force and includes paratroopers of the 82d Airborne Division.

''We are not saying definitively whether the exercises are or are not related,'' said one Pentagon official. Another official said that while there were enough American troops on the ground in Panama to defend American interests, it was to the advantage of the United States in such a situation to have such an exercise under way.

'It Is a War of Words'

''I certainly can't rule out psychological warfare,'' the official said when asked if the exercise was intended as a show of force. ''It is a war of words and a war of nerves at this stage and one that is waged diplomatically and psychologically and, if need be, militarily.''

In May, President Bush ordered about 1,800 soldiers and marines sent to Panama to reinforce 10,300 American troops already there and to protect American lives.

The United States has also been conducting military exercises in Panama this year that American officials say have been held to exercise Washington's rights to defend the canal under the 1979 Panama Canal Treaties, but which some observers say are also intended to put psychological pressure on General Noriega.

The exercises include motorized patrols across the Bridge of the Americans near Panama City, amphibious operations across the canal near the Pacific Ocean entrance to the canal and flying troop reinforcements into Howard Air Force Base.

Following the deployment of troops and the exercises, incidents of harassment against American servicemen dropped significantly.

Some Urge Caution

On Capitol Hill, some lawmakers urged President Bush to use caution in his response to the shooting death of the marine officer, while others emphasized the need for the President to send an unambiguous message to General Noriega

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(c) 1989 The New York Times, December 20, 1989

that a pattern of aggression against the United States would not be tolerated.

Senator Christopher J. Dodd, a Connecticut Democrat who is the chairman of the Western Hemisphere subcommittee of the Senate Folreign Relations Committee, said on the NBC News program ''Today'' that he hoped President Bush would not act abruptly because of criticism in October for failing to intervene during an abortive coup attempt in Panama. ''My concern would be that some of the political advisers around him are reminding him of those headlines and may cause him to act precipitously here,'' Senator Dodd said. Senator Richard G. Lugar of Indiana, a senior Republican member of the Foreign Relations Committee, said that caution was important, but added in a statement: ''We need to avoid the appearance of acquiescence that might embolden Noriega and lead to future American and Panamanian casualties. There are measured options, military and otherwise, that would inconvenience Noriega and they ought to be considered promptly in the wake of unnacceptable activities of the Panamanian Defense Forces.''

The Pentagon identified the marine who was killed as First Lieut. Robert Paz, 25 years old, of Dallas.

The White House said the killing of the American officer, the first by Panamanian forces, was part of a coordinated campaign that began when the National Assembly of Representatives declared the country at war with the United States. His shooting death was one of several incidents of harassment of American servicemen last weekend.

In one incident Saturday night, according to Pentagon officials, an American officer and his wife were arrested by Panama's military. The officials said that in four hours of interrogation, the naval officer was beaten and repeatedly kicked in the head and groin and threatened with death as loaded pistols were pointed at his head. His wife, the officials added, was slammed against a wall, sexually threatened and required to stand with her arms over her head until she collapsed.

In another incident over the weekend, a Panamanian soldier loaded his assault rifle and pointed it at the stomach of an American military policeman who was on patrol.

The Pentagon said that a United States Army lieutenant who wounded a Panamanian traffic officer Monday was apparently not authorized to carry a sidearm, was in civilian clothes at the time of the shooting, and that the incident was under investigation.

GRAPHIC: Photos of Gen. Manuel Antonio Noriega (Agence France-Presse) (pg. A1); a United States armored vehicle patrolled in the canal zone (Reuters) (pg. A8)

SUBJECT: UNITED STATES ARMAMENT AND DEFENSE; UNITED STATES INTERNATIONAL RELATIONS; PANAMA -INTERNATIONAL RELATIONS-US

NAME: BUSH, GEORGE (PRES); NORIEGA, MANUEL ANTONIO (GEN); GORDON, MICHAEL R; PAZ, ROBERT; ENDARA, GUILLERMO

GEOGRAPHIC: PANAMA

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2ND STORY of Level 1 printed in FULL format.

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January 2, 1990, Tuesday, City Edition

SECTION: NATIONAL/FOREIGN; Pg. 6 p

LENGTH: 611 words

HEADLINE: Bush faces array of problems as he ends vacation

BYLINE: By John W. Mashek, Globe Staff

DATELINE: WASHINGTON

KEYWORD: GEORGE BUSH; HOLIDAY; END

BODY:

President Bush concluded a holiday in Texas and Alabama yesterday, returning to some sticky unfinished business on Panama as well as a potentially divisive battle with Congress over spending and defense priorities.

Bush topped off his 6-day vacation by fishing for bass near Montgomery, Ala., after relaxing by hunting, fishing and golfing in South Texas and in his Houston home.

Even on his getaway from the Oval Office, Bush could not escape from official duties, including his role as commander-in-chief. Still unresolved is the status of his year-long nemesis, ousted Panamanian dictator Manuel Antonio Noreiga.

US negotiations continued yesterday with Vatican and Panamanian officials on how to get Noriega out of his refuge in the Vatican Embassy in Panama City.

Bush has taken a hard-line position: He wants Noriega, who has been indicted in Florida for drug smuggling, to stand trial in the United States. The stalemate continued through Bush's vacation.

White House officials continued to show optimism that Noriega eventually would be turned over to the United States.

Bush must deal, too, with the sensitive matter of how long US troops will remain in Panama. Estimates vary, but it is certain that at least a sizable contingent will have to be stationed there on an open-ended basis to maintain civil order. A new government, friendly to the United States, is still finding its way, inheriting a devastated economy.

Arriving at Maxwell Air Force Base, Ala., Bush said his New Year's resolution for 1990 was "peace, world peace."

His wife, Barbara, talked more about the adoption of a new grandchild, Charles Walker Bush, born in November and adopted by son Marvin and his wife, Margaret. This is the 12th Bush grandchild. There are seven girls and five boys.

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(c) 1990, The Boston Globe, January 2, 1990

She said it was "sort of magical" that the baby's adoption became official last Friday, the day that Alexander Ellis, husband of the president's sister, Nancy, died in Boston. "They came sort of in juxtaposition, so I cried all day. I cried from happiness and sadness all day," she told reporters.

When congratulated on his new grandchild, the president said, "Thank you. Funny how life goes on. . . . Nancy's husband and this."

The Bushes will attend Ellis' funeral today in suburban Boston, returning to Washington immediately after the service. The time and place of the funeral, which is private, have not been announced.

On the legislative front, Bush and the Democratic Congress are liable to battle over a so-called "peace dividend." That is the savings the federal government could realize as a result of the massive democratization and relaxed tensions in Eastern Europe.

Bush has indicated that it is not time to react to the changes within the Soviet bloc by cutting back deeply in defense spending. However, some Democrats will want to shift money from the Pentagon to social programs cut during the Reagan administration and to the fight against drugs. Using the dividend to cut the mammoth federal deficit is another option.

Cutting that deficit is another order of business for Congress, which is to return to work late this month. Richard Darman, the budget director, and Democratic leaders are almost certain to square off before the year is out.

And, as if the GOP administration and Democrats needed to be reminded, 1990 is an election year. Republicans will be aiming to whittle down the Democratic majority in both houses, although there is concern they could lose seats despite Bush's personal popularity.

Politics will influence decisions on a stack of leftover legislative problems such as health costs of the elderly, clean air, child care and crime.

GRAPHIC: PHOTO, 1. President Bush gives a tie tack Sunday to Sergeant First Class James Almeida of Taunton at Brooke Army Medical Center in San Antonio. Almeida, wounded in Panama, is with his wife and children. / AP PHOTOS 2. President Bush removes hook from a bass he caught and released during a fishing trip yesterday near Montgomery, Ala.

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4TH STORY of Level 1 printed in FULL format.

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January 2, 1990, Tuesday, Late Edition - Final

SECTION: Section A; Page 14, Column 3; National Desk

LENGTH: 820 words

HEADLINE: Reporter's Notebook;
Bush's New Winning Combination

BYLINE: By MAUREEN DOWD, Special to The New York Times

DATELINE: PINTLALA, Ala., Jan. 1

BODY:

Do you want to hear something really disgusting about the President of the United States?

The man who brought you Tabasco sauce with pork rinds is now indulging in another strange food combination: Butterfinger candy bars crumbled onto oat bran.

As President Bush whipped up his new recipe in Houston Saturday at the Houstonian Hotel's Center Court restaurant, he commented to the surprised customer next to him in the serving line, ''Oh, nobody will notice.''

But of course everyone noticed, including The Houston Post, which first reported Mr. Bush's new craving. After all, there are not too many dishes that so artfully combine a food rich in cholesterol (chocolate) with a food touted as a cholesterol fighter (oat bran).

Aides to the President explained that he got the inspiration when he noticed that the restaurant served yogurt with chocolate and yogurt with bran. It was a small leap of culinary faith to Butterfingers Bran a la Bush.

New Year's in Bed

The President who never seems to stay still slept soundly as the decade, and the most exciting year of his life, ended.

No funny hats, confetti, champagne or midnight busses for the Bushes. It was Chinese take-out by candlelight in their apartment in the Houstonian and reading in bed by 9 P.M.

''We were the earliest people in bed in America, I think,'' Barbara Bush said today, as she flew on Air Force One from Houston for a day of bass fishing on a friend's pond in Pintlala, 10 miles south of Mongtomery.

''I haven't seen midnight in for 40 years, I think,'' said Mrs. Bush, who is not particularly fond of New Year's Eve. ''I like champagne, but it doesn't like me.''

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(c) 1990 The New York Times, January 2, 1990

Mrs. Bush was asked if she had any New Year's resolutions. ''I'm going to give up desserts,'' she replied. ''All day long today. I'm going to give them up until tonight maybe.''

A Christmas Portrait

The hard, unsmiling Secret Service agents who protect the President and First Lady have a sentimental, aesthetic side, it seems.

The Bushes are not big on giving each other Christmas presents, except perhaps new running suits, and Mrs. Bush said her favorite gift came from their security detail.

''The agents gave us a portrait of Millie,'' she said, reverentially describing the joy of seeing the First Dog immortalized in oils. ''It's hung in our living room. It's in pastels, so beautiful you can almost feel her.''

'Sweet Little Fish'

First, Mr. Bush hunted quail in Beeville, Texas, last week and ignored the animal rights activists demonstrating in the town. ''We eat our game,'' the press secretary, Marlin Fitzwater, announced with Texas defiance.

Then the President hit the links in Houston with the golf pro Doug Sanders, who disclosed afterward that Mr. Bush was still struggling with his putting and chip shots.

Today, Mr. Bush fished with his wife in Pintlala and the result was an aquatic screwball comedy.

The President was casting lines for largemouth bass in one boat with Ray Clunn, a professional angler. Mrs. Bush shared a boat with Ray Scott, the founder of the President's favorite magazine, Bassmaster, and owner of the 55-acre lake and the 350-acre surrounding spread.

Fishing is a sore subject with this highly competitive President, who had a dismal record last year against the wily bluefish and the elusive bass.

So when Mrs. Bush proudly held up a small, one-pound fish she had caught, the President called out to her in syrupy, uxorious tones.

''Sweet little fish, nice going, darling,'' he said, noting, sotto voce, to the reporters on shore: ''Wo-o-onderful; I'm s-o-o proud of her.''

She asked him if he wanted to hold her prize or take a picture of it.

''Nobody wants to take a picture of a little minnow,'' came the riposte.

''So-o-o jealous,'' she mocked, turning back to her successful casting.

Mrs. Bush had her turn, though, when with the connivance of Mr. Scott, she pulled in an enormous fish that made everyone gasp for a moment, until they realized it was a mounted trophy. (Mr. Bush pulled a similar gag last year while vacationing before his inauguration.)

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Welcoming a Grandchild

The Bushes now have an even dozen grandchildren, five boys and seven girls.

On Air Force One today, Mrs. Bush excitedly announced that her son Marvin and his wife, Margaret, had just adopted a 2-month-old boy from Texas and christened him Charles Walker Bush.

Mrs. Bush said it was ''sort of magical'' that the baby's adoption came through the same weekend that Mr. Bush's brother-in-law, Alexander Ellis 2d, husband of the President's sister Nancy Walker Bush Ellis, died.

''They came sort of in juxtaposition, so I cried all day,'' she said. ''I cried from happiness and sadness all day.''

Her husband later echoed her thought that the two events had ''passed'' each other in a good way.

''Funny how life goes on,'' he said of the newest addition to the Bush clan. ''Nancy's husband and this.''

GRAPHIC: Photos of President Bush and the small bass he caught during a fishing trip in Pintlala, Ala.; Barbara Bush showing her ''catch'', which was a mounted trophy that her partner, Ray Scott, had in his boat (AP)

NAME: BUSH, GEORGE (PRES); DOWD, MAUREEN; BUSH, BARBARA (MRS GEORGE BUSH); BUSH, MARVIN

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ı JAMES BOSWELL, *Life of Johnson [1791]. May 1781*

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MANN.

1 It may not be natural for man to walk on two legs, but it was a noble invention.[1]
Ib.

2 The thing that astonished him was that cats should have two holes cut in their coat exactly at the place where their eyes are.
Ib.

Anna Letitia Barbauld
1743–1825

3 Say not "Good night"; but in some brighter clime
Bid me "Good morning."
Ode to Life, st. 3

4 This dead of midnight is the noon of thought.
A Summer's Evening Meditation

Gavriil Romanovich Derzhavin
1743–1816

5 I am a czar—a slave, I am a worm—a god.
God [1784]

William Henry, Duke of Gloucester
1743–1805

6 Another damned, thick, square book! Always scribble, scribble, scribble! Eh! Mr. Gibbon?
Upon receiving from EDWARD GIBBON *volume II of the Decline and Fall of the Roman Empire [1781]. From Best's Literary Memorials*

Thomas Jefferson[2]
1743–1826

7 A lively and lasting sense of filial duty is more effectually impressed on the mind of a son or daughter by reading *King Lear*, than by all the dry volumes of ethics, and divinity, that ever were written.
Letter to Robert Skipwith [August 3, 1771]

8 The God who gave us life, gave us liberty at the same time.
Summary View of the Rights of British America [1774]

9 When, in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth the separate and equal station to which the laws of nature and of nature's God[3] entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation. We hold these truths to be self-evident; that all men are created equal; that they are endowed by their creator with certain unalienable rights;[4] that among these are life, liberty, and the pursuit of happiness;[5] that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed;[6] that whenever any form of government becomes destructive to these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness.
Declaration of Independence [July 4, 1776]

10 We must therefore . . . hold them [the British] as we hold the rest of mankind, enemies in war, in peace friends. *Ib.*

11 And for the support of this declaration, with a firm reliance on the protection of divine providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor. *Ib.*

12 Ignorance is preferable to error; and he is less remote from the truth who believes nothing, than he who believes what is wrong.
Notes on the State of Virginia [1781–1785]. Query 6

13 The Newtonian principle of gravitation is now more firmly established, on the basis of reason, than it would be were the government to step in, and to make it an article of necessary faith. Reason and experiment have been indulged, and error has fled before them. *Ib. 17*

14 Subject opinion to coercion: whom will you make your inquisitors? Fallible men; men governed by bad passions, by private as well as public reasons. *Ib. 17*

15 Is uniformity [of opinion] attainable? Millions of innocent men, women, and children,

[1] Se non è vero è ben trovato [If it is not true it is a happy invention].—*Attributed to* GIORDANO BRUNO
[2] His eye, like his mind, sought an extended view.—DUMAS MALONE, *Jefferson the Virginian* [1940] See Morison, 382:n3.
[3] See Bolingbroke, 329:5, and Pope, 337:16.
[4] The phrase is frequently misquoted "inalienable." All men are born free and equal, and have certain natural, essential and unalienable rights.—*Constitution of Massachusetts* [1778]
[5] See John Adams, 381:8, and Gibbon, 383:9.
[6] See Vico, 324:3, and John Adams, 381:2.

"COMMONWEALTH OF FREE NATIONS . . . "

This phrase has been used in the following:

- Text of Afternoon Intervention Delivered at NATO Headquarters, 12/4/89

- The Pieterskerk, Leiden, the Netherlands, 7/17/89

- Homecoming Ceremony, Portsmouth, NH, 6/2/89

- Toast at Dinner Hosted by Prime Minister Margaret Thatcher, 6/1/89

- Mainz, West Germany, 5/31/89

- Toast at Dinner Hosted by Prime Minister DeMita, 5/27/89

THE WHITE HOUSE
WASHINGTON

Dr. Janina Hoskins
retired Polish specialist
Library of Congress
707-8484

confirmed that Anchor is
symbol of hope
Mainly used in poetry &
stories.

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1ST STORY of Level 1 printed in FULL format.

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[redacted]eport

January 30, 1990, Tuesday, BC cycle

LENGTH: 216 words

HEADLINE: ISRAELI MINISTER TO SIGN DIPLOMATIC TIES IN PRAGUE NEXT WEEK

DATELINE: PRAGUE, Jan 30

KEYWORD: CZECHOSLOVAKIA-ISRAEL

BODY:

Czechoslovakia expects to resume diplomatic relations with Israel, after a 23-year break, during a visit by Foreign Minister Moshe Arens to Prague next week, the foreign ministry said on Tuesday.

Spokesman Jan Martinek told a news conference Arens would arrive on February 8 to put the final seal on ties cut by Czechoslovakia's now disgraced Communist government in a Soviet-led move over the 1967 Middle East War.

"Czechoslovakia wants with this step, which confirms the new orientation of its foreign policy, to contribute to peace in the Middle East," he said.

Czechoslovakia will be the second reforming East European state to resume ties with Israel, after Hungary did so in September. Poland has said it wants to follow suit, and East Germany, which never had diplomatic relations with Israel, held negotiations last weekend on opening them.

The Palestine Liberation Organisation envoy in Prague, Samih Abdul Fatah, told President Vaclav Havel on Monday of Palestinian concern over Czechoslovakia's planned new friendliness to Israel. Havel said Prague had not abandoned its support for Palestinian rights to self-determination.

The spokesman said Czechoslovakia would be sending a delegation to the Arab League headquarters in Tunis to explain the changes in its foreign policy.

SUBJECT: DIPLOMATIC; MIDDLE EAST

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PRESIDENTIAL REMARKS: POLISH LITTLE LEAGUE

WARSAW, POLAND

MONDAY, JULY 10, 1989

4:15 P.M.

FINAL Steph

LADIES AND GENTLEMEN, BOYS AND GIRLS, FRIENDS OF POLAND AND AMERICA. THANK YOU FOR THOSE WORDS OF WELCOME. IT IS A PLEASURE FOR ME TO BE WITH YOU IN THIS GREAT AND LOVELY CITY.

YOU KNOW, FIFTY YEARS AGO AN AMERICAN INSTITUTION WAS BORN: LITTLE LEAGUE BASEBALL. AND IT'S GROWN TO BECOME AMERICA'S AMBASSADOR OF GOODWILL, AND THE LARGEST YOUTH SPORTS PROGRAM IN THE WORLD.

THIS YEAR, THAT PROGRAM HAS COME TO POLAND. AS HAVE THESE WORDS OF THE LITTLE LEAGUE PLEDGE: "I TRUST IN GOD. I LOVE MY COUNTRY, AND WILL RESPECT ITS LAWS. I WILL PLAY FAIR TO STRIVE TO WIN. BUT WIN OR LOSE, I WILL ALWAYS DO MY BEST."

REMARKS: SOLIDARITY WORKERS MONUMENT
LENIN SHIPYARD GATES, GDANSK
TUESDAY, JULY 11, 1989
2:10 P.M.

FINAL
Bob

THANK YOU. HELLO LECH WALESA. [[PAUSE]] HELLO SOLIDARNOSC. [[PAUSE]] HELLO POLSKA. [[PAUSE]] CONGRATULATIONS ON WHAT YOU HAVE DONE SINCE LAST I VISITED -- THE FIRST FREE ELECTIONS IN MODERN POLSKA. [[PAUSE]]

POLAND HAS A SPECIAL PLACE IN THE AMERICAN HEART -- AND IN MY HEART. WHEN YOU HURT, WE FEEL PAIN. WHEN YOU DREAM, WE FEEL HOPE. WHEN YOU SUCCEED, WE FEEL JOY. IT GOES FAR BEYOND DIPLOMATIC RELATIONS -- IT'S MORE LIKE FAMILY RELATIONS. AND COMING TO POLAND IS LIKE COMING HOME. [[PAUSE]]

THIS SPECIAL KINSHIP IS THE KINSHIP OF AN ANCIENT DREAM -- A RECURRING DREAM -- THE DREAM OF FREEDOM.

EPA Press Con

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 24, 1990

PRESS CONFERENCE
BY THE PRESIDENT

The Briefing Room

9:16 A.M. EST

THE PRESIDENT: Good morning, good morning. Well, as you know, I'll soon present my budget to the Congress. And as I prepare to do so, it strikes me that our nation faces challenges on many fronts, so let's give each the attention it deserves. Tomorrow I'm going to announce the second phase of our strategy to fight drugs in the schools and the streets of America. The future of this country depends on whether we can give our children a chance to grow up drug free.

And secondly, I will soon present our plan to restructure America's defenses in the wake of the dramatic changes that are taking place abroad. And I'm proposing a defense budget that begins the transition to a restructured military. A new strategy that is more flexible, more geared to contingencies outside of Europe while continuing to meet our inescapable responsibility to NATO and to maintaining the global balance.

And finally, Secretary Brady and Director Darman and Chairman Boskin will put the details of our budget before the American people. And as that occurs, other members of the administration, the Cabinet, key agencies will provide an in-depth outline of their efforts to address the many challenges of caring for the afflicted and uplifting the poor, cleaning the environment, educating our kids, as well as other important issues. All of this is a preparatory to the State of the Union, one week from today, in which I will speak to the broader issues that we face as a nation.

There are two items that I want to mention here today and then take some questions. First, I've decided that the environmental challenges that face America and the world are so important now that they must be addressed from the highest level of our government. And at the beginning of this century, President Roosevelt, Theodore Roosevelt, helped pave the way for the establishment of the National Park System. Twenty years ago, President Nixon established the EPA, Environmental Protection Agency, by Executive Order. That is now one of the largest and most important regulatory agencies in the government. And today, I'd like to announce another step forward in this important tradition of support for conservation and environmental protection.

Many countries have environmental ministers with Cabinet status. And I'm convinced that that Cabinet status will help influence the world's environmental policies. So, with so many difficult decisions ahead, I'll need Bill Riley's counsel; I'll need him sitting at my side in the Cabinet, and I'm please to endorse the elevation of the EPA to Cabinet status by creating a Department of the Environment.

Senators Glen and Bill Roth, Chairman and ranking members of the Senate Government Affairs Committee, have introduced legislation that would create this department. Congressmen Conyers and Horton are working on similar legislation, and I look forward to

Everglades 1/19/90

THE WHITE HOUSE

Office of the Press Secretary
(Miami, Florida)

For Immediate Release January 19, 1990

STATEMENT BY THE PRESS SECRETARY

President Bush today visited the Everglades National Park to emphasize his commitment to achieving the goal of no net loss of wetlands.

On December 13, he signed into law the Everglades National Park Protection and Expansion Act of 1989 which expands the park by over 100,000 acres. The President believes this type of environmental stewardship can coexist with economic growth and prosperity as we face the challenge of protecting the Nation's wetlands.

At the President's direction, the Domestic Policy Council, which has created a Task Force on wetlands, is in the process of examining how best to implement the President's goal of no net loss. The Domestic Policy Council review is expected to lead to recommendations for revising Executive Order 11990 which was signed in 1977 and directs Federal agencies to minimize the loss of wetlands resulting from Federal actions, but does not address the broader issue of achieving no net loss. In addition, the Task Force will examine other methods to achieve the goal of no net loss and make recommendations to the President in late 1990.

The Task Force has been undertaking background studies and briefings on wetlands preservation. During the coming months, the Task Force will hold a series of public meetings around the country to solicit public comment on appropriate strategies for achieving the no net loss goal, including consideration of the effectiveness of regulatory programs and the use of nonregulatory approaches. The meetings will also focus on specific issues such as losses which are related to agricultural production, losses of wetlands in the Mississippi River basin and along the Louisiana coast, and the unique challenges posed in Alaska.

Information gained at these meetings will be used in the development of recommendations to the President. The Task Force will accomplish its work through the use of small interagency groups, each of which will develop options on a particular issue, for consideration by the full Task Force. These groups will address a number of issues, such as: The scope and meaning of the no net loss goal; specific Executive Order language required to ensure that Federal policies assist in achieving the goal; the important roles of State and local communities and private conservation groups in preserving wetlands; the role of market-based incentives in wetland protection; mitigation of wetlands loss through replacement elsewhere, and additional steps that may be necessary to implement the no net loss goal, including whether legislative changes are required.

# # #

Sept 6, 1989
Boarder Babies

And so we will do what we're asked to do, if I find it prudent as President. We will give the kinds of support to the Colombian military that you've seen begin, and I believe that is the way we should effectively treat our military assets. And it's not going to be a unilateral imposition of United States force just when you have people strongly supporting a President in what he's trying to do. Colombian kids laying their lives on the line to restore order to their community.

So I want to help, and I again take this forum here to pay my respects to what President Barco is doing, to offer the people of Colombia whatever support we possibly can give them in the way they want it to have them continue doing this courageous job they're doing.

Our administration is committed to making drugs bilateral and multilateral foreign policy issues. We're going to be talking to all countries in a cooperative manner about what we can do and encouraging some to join is in certain initiatives that will help countries that are embattled. That means working, obviously, with other nations to fight this drug production and to break up the money-laundering activities that keep the international traffickers afloat.

I feel very, very strongly about the enforcement side. And a person who knowingly launders drug money is just as guilty as the kingpin or somebody pushing the crack into the school kids of our country. And I think for too long we may have had inadvertently less energy going into the money-laundering end. And at our G-7 meeting, as some of the ambassadors here know very well, there was strong support for maximum cooperation, intelligence-sharing, whatever, to get at these insidious money-launderers. So I say again today, we enlist the support of all and we will give our support to all in trying to track down these people.

Drugs are, of course, our most important domestic priority. And I'm pleased to see here in this room the very people that we'll be depending on in the weeks and the months ahead. Law enforcement -- in this room are law enforcemenet officials, drug treatment professionals, teachers, community and business leaders, and some state and city elected officials. This is not going to be won by the federal government, this battle. The federal government has a key role to play and I am trying to see that we play it by putting forward and then implementing a national drug strategy. But please understand I have not changed my conviction that the answer will lie at the local and the state level as we go forward with our national strategy.

And I used to get kidded -- I think it was friendly teasing -- about the thousand points of light, but for the cynics, I wish you could have been with me today at D.C. General Hospital and gone to the ward where there were maybe six or eight what they call boarder babies -- babies that had been deserted. And they were being -- deserted by their mothers -- 80 percent of them, I'm told, their cocaine-addicted mothers. Trying to do something about that. But those babies were being kept alive and given a chance for a life with love in it by a handful of black women in the District of Columbia who just got together as one of the thousand points of light.

So it is more than a slogan, and this problem will be solved as soon as each of us decides to involve himself or herself in the life of another person. And it's not going to be solved until all of us adopt that ethic as we approach this important problem.

So thank you all very much. I want you to know we will continue to play our part in carrying out the proposals of the strategy. I'd be remiss, seeing this much horsepower here, if I didn't ask you for your support. We want to work with the various categories and others -- categories that I mentioned here in these remarks -- so that real progress in the war can begin immediately.