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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Building a Better America Files  
**Subseries:**

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**OA/ID Number:** 25995  
**Folder ID Number:** 25995-005

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**Folder Title:**  
Building a Better America, Draft 3, 11/21/89 [3]

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November 21, 1989

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BUILDING A BETTER AMERICA  
ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION  
SUMMARY

As the Bush Administration finishes its first year, changes are taking place rapidly in the international arena. The President successfully worked to encourage peaceful progress toward democracy in Eastern Europe. Relations with the allies remain strong, after both the NATO Summit and the Paris Economic Summit. In the fall, the President unveiled his National Drug Control Strategy in his first televised address to the Nation, and called the Nation's governors together for the Education Summit. The Administration proposed initiatives in a number of areas, from child care to protecting the environment to ethics reforms. The economy is strong, with the current economic expansion continuing to set new records and create new jobs.

KEEPING THE ECONOMY STRONG

- o **Record expansion:** During the current economic expansion -- in its 84th month as of November -- over 20.5 million jobs have been created and the unemployment rate has fallen to levels not seen in 15 years. Income levels have risen sharply and growth in industrial output is nearly double

that of Western Europe. Consumer price inflation has remained under five percent for the past seven years.

- **Savings and Loans:** In August the President signed the **Financial Institution Reform, Recovery and Enforcement Act of 1989** to begin resolving the savings and loan situation. The President's plan calls for tough standards to help ensure such a crisis never happens again.
  
- **Third World debt:** The Administration has taken the lead in finding a way to reduce the debt burden and encourage economic growth in developing countries. At the Administration's urging, the IMF and World Bank have set aside funds to support debt reduction programs for developing countries. Three countries have successfully negotiated debt agreements under the Administration's debt plan.
  
- **International Trade:** The Bush Administration successfully broke a stalemate in the Uruguay Round of multilateral trade negotiations and advanced its proposal to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with important trading partners to discuss structural impediments to expanding trade and encourage them to open their markets to our exports.

- **Budget policy:** This spring, the Administration successfully negotiated a budget agreement with the Congress. However, Congress did not legislate the agreement, leaving the projected budget deficit for FY 1990 above the Gramm-Rudman target. Consequently, funds are being sequestered, enforcing a reduction in the Federal budget deficit.

- **Minimum wage:** The Administration reached an agreement with Congress to increase the basic minimum wage to \$4.25 per hour. The plan will not only help the working poor, but will provide business the ability to employ younger and less experienced workers at a reasonable training wage.

*This would seem more appropriate in the kinder, gentler America section. Also, many economists disagree that it will help the working poor as a group.*

**SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE**

- **A Resurgence of Democracy:** The Administration developed a strategy to encourage and help sustain the historic processes taking place, especially in Eastern Europe. In April, the President spoke in Hamtramck, Michigan, and called for self-determination in Eastern Europe and an end to the division of the continent. In May, President Bush called for the Berlin Wall to come down, and set forth his vision of a Europe "whole and free" during his visit to Mainz, Germany.

- **Poland and Hungary:** The President's strong support for political pluralism and economic reform in Poland and Hungary was highlighted by his visits to those nations and by the international leadership he has exercised in gaining major international backing for these reforms. The President has offered a major U.S. package of economic assistance and trade and investment incentives to assist in the economic restructuring of Poland and Hungary.
  
- **"Beyond Containment":** The President has welcomed the extraordinary political and economic changes underway in the Soviet Union. In a major speech at Texas A&M, he established a new American policy, "Beyond Containment," that seeks to integrate Eastern Europe and the Soviet Union into the community of nations. The President is preparing to meet with Soviet leader Gorbachev for an informal meeting off the island of Malta in early December.
  
- **Economic summit:** Under President Bush's leadership, the Paris Economic Summit agreed to launch concerted international action to support Polish and Hungarian economic reforms and to coordinate efforts for maximum effectiveness of Western assistance. The Economic Summit also made further progress on key U.S. economic and political objectives such as a strengthened debt strategy, economic policy coordination, completion of the Uruguay

Round by December 1990 and, for the first time, international cooperation on protection of the environment.

- **NATO Summit:** The President seized the arms control initiative and won the strong support of our Allies with a bold proposal to reduce conventional forces in Europe. He has also gotten allied cooperation for a rapid pace of negotiations aimed at reaching an agreement within a year. The U.S. proposal would involve deep cuts in Warsaw Pact manpower and equipment, and moderate cuts on the NATO side to achieve a stable balance in Europe.
- **China:** Visiting China soon after taking office, the President underscored the long-term strategic importance of the Sino-U.S. relationship and his support for the process of reform. In response to the subsequent suppression of the democratic movement in China, the President took actions making clear that we do not condone repression even while we work to preserve the basic elements of this important relationship.
- **Central American Accord:** The President and Congressional leaders agreed on March 24 on a bipartisan strategy for peace and democracy in Central America. With the agreement, for the first time in years, the U.S. has a broadly

supported strategy aimed at bringing about free and fair elections and establishment of democracy in Nicaragua.

- **Strengthening our Strategic Deterrent:** After a thorough review of U.S. defense strategy, the President submitted to the Congress a defense budget that will modernize our deterrent capability including, after more than a decade of debate, specific proposals for two mobile ICBMs. The strategic modernizations program also includes the revolutionary B-2 bomber, the D-5 missile for our submarine force, and funding to support an informed development and deployment decision on the Strategic Defense Initiative within the next four years.

#### INVESTING IN OUR FUTURE

- **Education Summit:** The President called the Nation's governors together for an historic Education Summit, where they committed to four objectives to bring about education reform in America: national education goals; increased flexibility in the use of Federal funds; state-by-state restructuring of the education system; and measurement of progress.
- **Educational Excellence:** The President proposed and sent to the Congress a comprehensive education package, The

**Educational Excellence Act of 1989**, which includes seven initiatives -- on merit and magnet schools, alternative certification of teachers, excellence awards for teachers, emergency grants to help urban schools to fight drugs, increased funding for endowments at Historically Black Colleges, and a National Science Scholars program.

- **National Drug Control Strategy:** In his first Address to the Nation, the President unveiled a comprehensive, coordinated strategy for fighting drug abuse. The President has laid out major new priorities in five principal areas: the criminal justice system; drug treatment; education, community action, and the workplace; international initiatives; and interdiction efforts.
- **Combatting Violent Crime:** President Bush transmitted to Congress **The Comprehensive Violent Crime Control Act of 1989** proposing measures to augment enforcement and prosecution, strengthen current law, restrict certain semi-automatic weapons, and expand prison capacity.
- **Clean Air Act revisions:** On July 21, President Bush transmitted to the Congress the first revisions to the **Clean Air Act** since 1977. His legislation is designed to drastically reduce three major threats to the nation's

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environment: acid rain, urban air pollution, and toxic air emissions.

- **Natural Gas Deregulation:** On July 26, the President signed into law the **Wellhead Decontrol Act of 1989**, which ends all remaining price controls on natural gas. This will phase out all federal price controls on natural gas by January 1, 1993.
- **Clean water and coastlines:** On March 10, the Department of Justice and the EPA implemented a medical waste tracking program to track medical wastes to ensure proper disposal and prevent ocean pollution -- the first step in a comprehensive program to help keep our beaches clean. The President is committed to end ocean dumping of sewage sludge by 1991.
- **Hazardous waste:** The President announced that he will seek new legislation to ban all exports of hazardous waste unless an agreement already exists with the receiving country to provide for its safe handling.
- **Global Climate Issues:** Through the Intergovernmental Panel on Climate Change (IPCC), the U.S. has called for initial discussions potentially leading toward a convention on global climate change. Also, the President proposed an

increase in global environmental research for FY 1990 of 43 percent, or over \$190 million.

- **Ozone depletion:** In order to prevent further damage to the earth's protective ozone layer, the President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available.
- **Wetlands:** The President is committed to "no net loss of wetlands" and is directing his executive branch agencies, through an interagency task force, to make recommendations to achieve that goal. He has also proposed funding in his budget to expand parks and wildlife refuges.
- **Space:** The President announced a three-step commitment to establish America's preeminence in space -- Space Station Freedom, a permanent presence on the Moon, and a manned mission to Mars -- and established the National Space Council under the leadership of Vice President Quayle.

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#### WORKING FOR A KINDER, GENTLER AMERICA

- **Affordable Housing:** The President unveiled HOPE, a comprehensive agenda of Homeownership and Opportunity for People Everywhere. Major elements include provisions to help first-time home buyers, low-income housing residents, and the homeless, and to create at least fifty enterprise

zones over the next four years. The President signed legislation that substantially increases funding under the McKinney Homeless Assistance Act. Secretary Kemp has been charged with finding new ways to put a portion of FHA foreclosures into the hands of non-profit groups that work with housing rehabilitation to fight inner city poverty.

- **Child Care:** The President transmitted to the Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which provides a new refundable child care tax credit of up to \$1000 per child under age four, for low income working families. This legislation will also make the existing Child and Dependent Care Tax Credit refundable, and does not discriminate against religious or family-based child care or a parent who chooses not to work outside the home.
- **Head Start:** The President has also transmitted legislation to Congress that would allow a \$250 million increase in Head Start FY 90 appropriations. This will pay for enrollment of up to 95,000 more four-year-olds in the program.
- **Experimental AIDS Drugs:** Through the promotion of wider availability of experimental and therapeutic drugs such as AZT, the President has demonstrated his commitment to the eradication of the HIV virus and AIDS.

- **Adoption:** In September, the President sent two legislative proposals to Congress designed to encourage adoption of special needs children, through tax incentives and expense reimbursements for adoptive parents. In addition, the President has directed all Federal agencies to develop plans for supporting and promoting adoption of special needs children.
  
- **National Service:** The President is spearheading a movement to call all Americans to national service. He announced the formation of a foundation known as the **Points of Light Initiative** to identify, enlarge and duplicate those community service initiatives that are working and to discover and encourage new leaders.
  
- **Civil Rights:** The President has <sup>succeeded in gaining</sup> ~~called upon Congress to~~ reauthorize <sup>of</sup> the Commission on Civil Rights. The Administration has endorsed the Hate Crimes Bill <sup>which</sup> provides for the collection of data about crimes motivated by race, religion, or ethnicity. The Civil Rights Division of the Department of Justice has vigorously pursued the enforcement of the Fair Housing Amendments Act of 1988, which became effective in March <sup>as well as the</sup> other civil rights laws. <sup>ation</sup>
  
- **Disabled Americans:** The President is committed to legislation that would extend civil rights protections to

disabled Americans. This legislation, called the **Americans with Disabilities Act**, would represent the most significant expansion of federal civil rights laws in the past two decades. The Act passed the Senate on September 7, and has been awaiting passage in the House since then.

- **Whistleblower Protection:** On April 10, the President signed S. 20, the "**Whistleblower Protection Act of 1989.**" This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.
- **Medicaid:** To address the all-too-high infant mortality rate, the Administration forwarded to Congress legislation to improve federal Medicaid assistance to pregnant women, infants, and children.
- **Campaign Finance Reform:** On June 29, the President announced comprehensive campaign finance proposals designed to lessen the power of ~~special economic~~ <sup>modified special</sup> interests and restore real competition to American Congressional elections.
- **Ethics:** President Bush sent his ethics reform legislation, **The Government-Wide Ethics Act**, to the Congress on April 12,

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and he issued an Executive Order announcing ethical principles for the conduct of executive branch employees.

- **Welfare Reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988, as the next step in welfare reform. The Administration is proposing to spend \$3.6 billion over the next five years to implement the JOBS program. The Act will help reduce the number of individuals who need welfare.

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*Petersmeijer*

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Draft three

November 21, 1989

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**BUILDING A BETTER AMERICA**  
**ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION**

**KEEPING THE ECONOMY STRONG**

Maintaining the current expansion with low inflation is the key to improving standards of living, increasing job opportunities for all Americans, and increasing investment in productive capacity. Economic performance during this expansion has been exceptionally good with extraordinary job growth. The policies of the Bush Administration are designed to preserve this strong record.

- o **Record peacetime expansion:** The current expansion reached 84 months in November. This is the second longest economic expansion in U.S. history and the longest peacetime expansion.
  
- o **Job creation:** Over 20 million new jobs have been created during this expansion, and this year the unemployment rate has reached levels not seen in 15 years. The benefits of robust economic growth have been shared by a wide variety of demographic groups. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined.

- **Record income:** Real per capita disposable personal income -- personal income after taxes and inflation -- has risen 19 percent during this expansion.
- **Higher national saving and investment:** Partly due to the discipline of the Gramm-Rudman-Hollings process, the Federal deficit has declined from 6.3 percent of GNP in fiscal year 1983 to 3.0 percent this fiscal year. The personal saving rate averaged 5.4 percent over the first three quarters of 1989, well above its recent low of 3.2 percent in 1987.
- **Inflation under control:** Consumer price inflation has remained under 5 percent in each of the seven years from 1982 to 1988, and the recent slowing in economic growth to a sustainable rate will lessen price pressures in the near future. In the last twelve months, the CPI has increased only 4.3 percent and, in the last three months, the index has risen only 2.4 percent at an annual rate.

**ACTION BY THE ADMINISTRATION:**

- **Implementing fiscal restraint:** In view of the failure of the Congress to legislate the budget agreement reached last spring, the Administration has implemented a sequester of funds under the Gramm-Rudman-Hollings law. This sequester will effectively restrain federal spending while it is in

force, and will help reach the President's goal of hitting the Gramm-Rudman targets with no new taxes.

- **Addressing the international debt problem:** The Administration has taken the lead in encouraging commercial banks to reduce the debt and debt service burdens of developing countries. Recently, three countries -- Mexico, the Philippines, and Costa Rica -- have reached agreements with commercial banks under the Administration's debt plan. The differences in these agreements appropriately reflect differing circumstances in the three countries and illustrate the flexibility of the Administration's approach.
- **Minimum wage agreement:** The Administration and Congressional leaders reached agreement on a plan, now signed into law, to raise the minimum wage to \$4.25 per hour and to permit businesses to pay a training wage to young, entry-level workers. The higher minimum wage will help the working poor and the training wage will allow businesses to hire inexperienced workers and give them the start they need in a working career.
- **Disaster assistance:** The Administration and Congress are working together to provide adequate funding to assist victims of Hurricane Hugo and the California earthquake. This funding will help provide the homeless with temporary

shelter, will assist uninsured, needy families rebuild their homes, and will help the state as well as counties and municipalities to rebuild highways and other public facilities.

- **Savings and Loan reform:** The President signed the **Financial Institution Reform, Recovery and Enforcement Act of 1989** on August 9. This legislation comes to grips with the problems facing our savings and loan industry, and will safeguard and stabilize America's financial system. The Act assures that the long developing problems in our savings industry will never happen again. It significantly reforms the regulation of the thrift industry and separates the chartering of the institutions from the insurance of deposits. It establishes strict new guidelines to assure the solvency of thrift institutions in the future, including new capital requirements, and sets stiff penalties for wrongdoing by the officers of insured institutions. Further, the act establishes new agencies to remedy existing problems in the thrift industry and authorizes funds to finance the restructuring of insolvent institutions.
  
- **International Trade:** The Administration is forcefully promoting the opening of world markets through bilateral negotiations and the Uruguay Round of the General Agreement on Tariffs and Trade. It successfully broke a stalemate in

the Uruguay Round's mid-term review and put in place a framework, agreed to by the 96 member nations, to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with Japan to identify and eliminate structural factors that may impede efficient patterns of world trade. The approaches being pursued in these discussions will provide long-term benefits for both countries. The Administration has also created a high level interagency group to assure that U.S. trade and investment interests are addressed as the European Community works to create a single market in 1992. Under the leadership of Vice President Quayle, the Competitiveness Council announced "U.S.-92," the American response to EC-92, and delivered a strategy for rectifying the product liability confusion.

- **Steel imports:** The President initiated a two-and-a-half year Steel Trade Liberalization Program designed to phase out, in a responsible and orderly manner, the Voluntary Restraint Arrangements (VRAs) that currently limit steel imports into the U.S. and to negotiate an international consensus to address trade-distorting practices.
  
- **Agricultural initiatives:** The Administration has announced its comprehensive agricultural proposals for the General Agreement on Tariffs and Trade. These proposals would harmonize domestic agricultural programs and reduce

distortions to patterns of international production and trade. In addition, the Administration has formed a task force to develop a farm bill for 1990.

- o **National Energy Plan:** The President directed the Secretary of Energy to develop a comprehensive national energy strategy for the nation. The strategy will help the nation meet our energy security and environmental responsibilities and, at the same time, allow a sensible mix of energy sources to protect America's economic competitiveness.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

In his Inaugural Address, the President said, "The day of the dictator is over. The totalitarian era is passing, its old ideas blown away like leaves from an ancient lifeless tree." Indeed, this year has seen dramatic and promising changes. From the Third World to the Communist World, surging internal forces of democratization and economic reform have shaken Marxist and other authoritarian regimes to their foundations. The President is determined to continue moving on a broad front to seize this unique opportunity to strengthen world peace and the course of freedom.

ACTION BY THE ADMINISTRATION:

- o **A Resurgence of Democracy:** The Administration developed a strategy to encourage and help sustain the historic processes taking place, especially in Eastern Europe. Early in his Administration, the President expressed his hope for the success of perestroika in the Soviet Union. In April, the President spoke in Hamtramck, Michigan, and called for self-determination in Eastern Europe and an end to the division of the continent. In May, President Bush called for the Berlin Wall to come down, and set forth his vision of a Europe "whole and free" during his visit to Mainz, Germany. Throughout the year, the President has

continuously promoted the idea of freedom through his speeches, two State visits to Europe, and constant contact with world leaders.

- **Western Europe:** The President proposed new mechanisms for U.S. consultation and cooperation with the EC Commission and member states as the European Community heads toward a single market and closer political cooperation in 1992. Seeing the resurgence of Western Europe as a triumph of democratic values and principles, the President has welcomed its success, confident that a mature U.S.-E.C. partnership will serve our mutual interests and serve as a beacon for the East.
- **NATO Summit:** At the successful NATO Summit, the President's vision of Europe as well as agreement on a new conventional arms reduction initiative helped build Alliance unity and confidence and define the Alliance's future agenda.
- **Eastern Europe:** As Poland and Hungary have taken unprecedented steps toward pluralism, democracy, and market economic policies, the United States has signaled its strong support every step of the way. The President has also encouraged more recent movement towards change in East Germany. The President's strong support for political pluralism and economic reform in Hungary and Poland was

highlighted by his visits to those nations, and by the international leadership he has exercised in gaining major international backing for these reforms. The President has offered a major U.S. package of economic assistance and trade and investment incentives to assist in the economic restructuring of Poland and Hungary.

- o **Poland:** Following up on the program he announced on April 17 in Hamtramck, Michigan, the President called upon Congress to declare Poland a beneficiary country under the U.S. Generalized System of Preferences and to authorize the Overseas Private Investment Corporation to operate in Poland. The U.S. proposed a business and economic agreement that will promote trade, investment and other contacts between the private sectors of both countries. The President will ask Congress to approve a \$200 million grant for stabilization purposes, which would be the U.S. contribution to the \$1 billion in Western assistance the Poles have requested. The President [has sent] to Warsaw a Presidential Mission, headed by Agriculture Secretary Yeutter, to discuss with the Polish Government its economic plans and evaluate its needs. This mission also includes Secretaries Dole and Mosbacher, and Michael Boskin, Chairman of the Council of Economic Advisors, along with business and labor leaders. It will make recommendations to the President based on their findings and deliberations with

experts from the twenty-four nation "Group for Economic Assistance to Poland and Hungary" as to the most effective use of the \$1 billion stabilization fund. The President has also asked Congress to provide a \$100 million fund to help capitalize and invigorate the Polish private sector and has encouraged the World Bank to move ahead with new loans to help Polish agriculture and industry.

- o Hungary: The President has asked Congress to authorize a \$25 million fund as a source of new capital to invigorate the Hungarian private sector. The President informed Congress that Hungary is now receiving Most-Favored-Nation tariff treatment for the maximum period allowable under the law. The President also declared Hungary a beneficiary country under our Generalized System of Preferences which will allow duty free entry of Hungarian products into the U.S. market. He also called for legislation to allow OPIC to operate in Hungary, and for greater scientific, technical, educational, and cultural exchanges between the US and Hungary. The President will seek to establish an International Environmental Center for Central and Eastern Europe in Budapest. Finally, he announced that the Peace Corps would operate in Hungary to enhance English language training -- the first time in a European country.

- **The Economic Summit in Paris:** Immediately after the President's historic visit to Poland and Hungary, he proposed to the other world leaders gathered at the Paris Economic Summit that the industrial democracies join together to assist economic and political reform in Hungary and Poland. This led to creation of the "Group for Economic Assistance to Poland and Hungary." The industrial democracies also demonstrated their unity, by dealing with a variety of issues on the international economic agenda, as well as the problem of drugs and the environment.
  
- **"Beyond Containment":** Seeing an historic process of change in the Soviet Union, the President has declared his intention to move beyond the successful policy of containment of Soviet power to a new policy whose goal is integrating the Soviet Union into the world community as a constructive partner. Positive changes so far in Soviet policies -- in human rights, economic reforms, and settlement of some international conflicts -- need to be encouraged and broadened. The United States will be ready to respond to such further developments. Already:
  - The US-Soviet dialogue on conflicts in regions of the Third World has resumed intensively, and discussions have begun on a new range of global problems that require global cooperation, such as terrorism, the environment, and narcotics.

- In arms control, the President has accelerated the pace of negotiations, with new American initiatives on reducing conventional forces in Europe (endorsed by the NATO Summit), a chemical weapons ban and on strategic arms reduction. U.S. initiatives also aim at early progress on verification issues to further early agreement on strategic arms reductions.
  
- o **China:** On his visit to China in February, the President emphasized the long-term strategic importance of the U.S.-China relationship and his support for the process of reform. In response to the subsequent tragic suppression of the democratic movement in China, the President ordered the suspension of all government-to-government sales and commercial exports of weapons, suspension of visits between US and Chinese military leaders, sympathetic review of requests by Chinese students in the United States to extend their stay, and review of other aspects of US-PRC bilateral relations. The President's policy signals that repression cannot be condoned. But it also seeks to preserve the basic elements of a strategically important relationship that has, itself, played a major part in China's recent policy of reform and openness -- and can do so again in the future.
  
- o **Latin America:** The President has established a close, working relationship with Latin American neighbors to foster

a new partnership on hemisphere problems like democracy, debt, and drugs. Relations with Mexico are closer than at any time in recent memory. The U.S. has also worked with the Organization of American States to develop a hemispheric consensus that Manuel Noriega should leave power and permit restoration of democratic rule. In early February, Vice President Quayle travelled to Venezuela and El Salvador, urging fair elections and warning the Salvadoran military about human rights violations. In late June, the Vice President visited El Salvador, Costa Rica, Guatemala and Honduras, advancing the Administration's policy on Panama and Nicaragua. He successfully urged Costa Rican President Oscar Arias to note that fair elections are now impossible in Nicaragua.

- o **Bipartisan Accord on Central America:** On March 24, the President and Congress agreed on a bipartisan plan for peace and democracy in Central America:
  - **Regional peace:** The President and Congress agreed that the region's democracies deserve our support, that Nicaragua's subversion of its neighbors must end, and that Soviet and Cuban support for violence and subversion in the hemisphere must also end.
  - **Humanitarian aid:** Congress agreed to support the Administration's request for continued humanitarian assistance for the Nicaraguan Resistance at current

levels through the elections in Nicaragua scheduled for February, 1990.

- Democracy: The Marxist Sandinistas are being put to the test to permit a real democratic electoral contest for political power, fulfilling the promises of democratic pluralism that they have made (and broken) so often before. Aid to the Nicaraguan opposition to help bring about a free and fair election was approved with bipartisan Congressional support. On November 14, a Presidential Commission on Election Monitoring in Nicaragua was formed, including Senators and Representatives from both sides of the aisle.
  
- o Middle East: The Administration is devoted to promoting progress toward peace in the Middle East by supporting the Government of Israel's May 14 initiative calling for Palestinian elections in the occupied territories. These elections can be a step toward a comprehensive peace settlement that assures Israel's security and the legitimate political rights of the Palestinians. The Administration also has supported the efforts of the Arab League and others to end the internecine warfare and slaughter of innocents, and to bring peace to Lebanon.

- **A Strong Defense:** The President proposed to Congress an integrated package on strategic modernization that modernizes the entire strategic triad.
  - The President proposed to Congress a two-missile plan to maintain a strong, modernized strategic deterrent. The plan to deploy the rail-mobile Peacekeeper and the road-mobile Small ICBM will give the U.S. momentum in strategic arms control negotiations.
  - The modernization plan capitalizes on the revolutionary potential of the B-2, and modernizes the third leg of the triad, our strategic submarine force. These programs are all essential to our arms control positions.
  - The President requested a funding level of \$4.6 billion for the Strategic Defense Initiative to support an informed development and deployment decision within the next four years.
  - The President also directed the Department of Defense to implement its recent blueprint to strengthen and streamline the weapons procurement process.
  
- **Asian initiatives:** Vice President Quayle, in two separate trips to the Pacific Rim countries and Asian nations, has played a key role in the formation of policy in a variety of areas. In his spring trip to Australia, Indonesia, Singapore and Thailand, he developed the U.S. policy on

Cambodia after the pullout of Vietnamese forces; promoted U.S. trade interests; and monitored human rights and press freedom issues. This fall, in a trip to South Korea, Japan, the Philippines, and Malaysia, the Vice President began delicate base negotiations with the Philippine government. He also ascertained government and opposition positions on the U.S. troop reduction proposals for Korea; discussed serious manned space cooperation, and trade issues with the Japanese; and advanced U.S.-Cambodian policy with the Malaysian government.

- **Air Transportation Security:** The Administration has taken several measures to enhance security and efficiency in the air transportation system. These efforts include:
  - A proposed 17% increase in the budget for the Federal Aviation Administration.
  - New requirements for installation of explosive detection devices in high-risk airports.
  - Intense international negotiations to enhance security abroad.

## INVESTING IN OUR FUTURE

Record economic growth has provided America with the opportunity to invest in a brighter future. Because America's available resources are limited, the President's programs are designed to focus our efforts on those initiatives most likely to create growth in the years ahead.

### EDUCATION

The President's actions to improve education are guided by four key principles: recognizing excellence; addressing need; promoting flexibility and choice; and ensuring accountability.

#### ACTION BY THE ADMINISTRATION:

- o The President's Education Summit with Governors was held on September 27 and 28 in Charlottesville, Virginia, and was the third time in history and President has called on the nation's Governors to address a single issue of national importance. The Summit brought together the President, his Cabinet and the Governors in working groups and plenary sessions to focus on issues including choice and restructuring, teaching, the learning environment, governance, a competitive workforce and life-long learning, and postsecondary education.

- The President and the Governors issued a Joint Statement -- a "Jeffersonian compact" -- committing to four objectives to provide the groundwork for education reform in America: **national education goals; increased flexibility in the use of Federal funds; state-by-state restructuring of the education system; and measurement of progress.** A commitment was made to address the issues of national goals and increased flexibility in early 1990.
  
- o On June 5, the President announced his intention to form the **President's Education Policy Advisory Committee.** The committee's membership includes representatives from education, business, labor and the media. The committee will be chaired by Paul O'Neill, CEO of Alcoa, and will advise the President directly on issues related to education policy.
  
- o On April 5, the President proposed and sent to the Congress a comprehensive education package, **The Educational Excellence Act of 1989,** which includes seven initiatives:
  - **The Presidential Merit Schools program** -- to reward schools that are making substantial progress in raising students' educational achievement, creating a safe and drug-free school environment, and reducing the drop-out rate.

- **A new Magnet Schools of Excellence program** -- to support the establishment, expansion or enhancement of magnet schools, increasing parental choice and improving quality education.
- **The Alternative Certification of Teachers and Principals program** -- to assist States interested in broadening the pool of talent from which to recruit teachers and principals.
- **President's Awards for Excellence in Education** -- to be awarded to public and private school teachers in every state who meet the highest standards of excellence.
- **Drug-free Schools Urban Emergency Grants** -- to provide special assistance to selected urban school districts that are disproportionately affected by drug trafficking and abuse.
- **A National Science Scholars program** -- to provide college scholarships to high school seniors who have excelled in the sciences and mathematics.
- **Additional Funding Authorization for Endowment Matching Grants at Historically Black Colleges and Universities** -- to strengthen HBCUs by building endowments, an especially effective way to create financial strength and long-term security.

- On April 24, the President issued a new Executive Order on **Historically Black Colleges and Universities (HBCUs)**.

Highlights of the order include:

- Establishing the President's Board of Advisors on Historically Black Colleges and Universities in the Department of Education.
  - Directing Federal agencies to increase opportunities for HBCU involvement in Federal programs and directing the Secretary of Education to develop an Annual Federal Plan for Assistance.
  - Calling for the White House Office of National Service, along with other Federal offices to work to encourage private sector support of HBCUs.
- 
- **[[Job training: The Administration has sent to the Congress a proposal to improve the Job Training Partnership Act by targeting its resources on the poor and at risk youth and adults who most need job training to get jobs and become economically self sufficient.]]**

#### FIGHTING DRUG ABUSE

A new war on drugs in this country began with the announcement of the President's National Drug Control Strategy. The President laid out major new priorities in five principal areas: **the criminal justice system; drug treatment; education,**

community action, and the workplace; international initiatives; and interdiction efforts. Throughout, the strategy emphasizes the principle of user accountability.

ACTION BY THE ADMINISTRATION:

- o In his first televised Address to the Nation, the President unveiled the National Drug Strategy in September, describing a coordinated and comprehensive plan of attack under the leadership of the Director of National Drug Control Policy, William Bennett.
- o The National Drug Control Strategy recommends the largest dollar increase in the history of the drug war -- nearly \$2.2 billion, 39 percent above the FY 1989 level. Elements of the Strategy include:
  - Expanding the criminal justice system by providing funds for more police, jails, prosecutors, and courts; developing alternatives for incarceration such as boot camps to free up jail and prison space; and requiring drug testing of prisoners, parolees, and arrestees.
  - Improving drug treatment by holding Federally-funded treatment programs accountable for their effectiveness by establishing performance criteria; requiring drug testing in treatment programs receiving Federal funds; exploring the expanded use of "civil commitment," whereby addicts are sent by the courts to residential

treatment facilities; and improving drug treatment services for pregnant women.

- **Promoting education, community action, and the workplace** through emphasizing community-level prevention of drug use before it starts; requiring schools and colleges to implement firm drug-free policies in order to receive Federal funds; cleaning up and securing public housing; promoting drug-free workplace policies in the private sector and implementing drug-free workplace policies within the Federal government; and by recommending testing for job applicants and employers in safety and sensitive positions.
- **Placing heavier emphasis on international initiatives**, such as the elevation of the drug issue as a foreign policy priority; the dismantling of drug trafficking organizations, the targeting of international efforts closer to production and trafficking sources; and reducing trafficking profits by focusing increased efforts on money laundering.
- **Taking a fresh approach to interdiction efforts** by creating interagency and interdisciplinary teams to analyze and target smuggling modes, methods, and routes; targeting key individuals and high-value shipments; and enhancing border interdiction systems, operations, and activities.

COMBATTING VIOLENT CRIME

The President is working to strengthen the nation's criminal justice system and the Federal, state, and local law enforcement partnership.

Four principles underlie the goals of our criminal justice system and the means for accomplishing them: First, to protect citizens and their property; to hold those who commit violent crimes accountable for their actions; to have as the objective of our criminal justice system the swift and certain apprehension, prosecution and incarceration of those who break the law; and finally, to ensure a sustained, cooperative effort by Federal, state and local law enforcement authorities.

ACTION BY THE ADMINISTRATION:

- o On May 15, President Bush sent to Congress The Comprehensive Violent Crime Control Act of 1989 to combat violent crime.

The President's initiative includes:

- **Strengthening Current Laws:** The President is calling on Congress to double the mandatory minimum penalties --
  - from five years to ten years in Federal prison --
  - for the use of semi-automatic weapons in violent crimes or drug felonies.

In addition, the Attorney General has been directed to advise America's prosecutors to end plea

bargaining for violent Federal firearms offenses.

President Bush called on Congress to enact the steps necessary to implement the death penalty for the most serious Federal crimes, and urged state Governors to match these Federal initiatives -- new mandatory sentencing, tougher rules on plea bargaining, and implementing the death penalty -- in the States.

- **Controlling Certain Semi-Automatic Weapons:** In July, the Administration took action to ban permanently the importation of any semi-automatic weapons which fail to meet the criteria specified in the Gun Control Act of 1968. The President also called for the closing of loopholes which allow access to such guns by certain classes of criminals, and he proposed prohibiting the importation, manufacture, sale, or transfer of gun magazines of more than 15 rounds.
- **Augmenting Enforcement:** The President has directed the Attorney General and the Treasury Secretary, working together with state and local authorities, to launch a comprehensive, coordinated offensive against America's most violent criminals.

President Bush requested funding for the hiring of 825 new Federal agents and staff -- 375 at the Bureau of Alcohol, Tobacco and Firearms; 300 at the FBI; and 150 Deputy U.S. Marshals. This offensive, including

state and local enforcement authorities, will target violent criminals and repeat offenders.

- **Enhancing Prosecution:** The President proposed increased funds for the U.S. Attorneys Offices to support 1,600 new prosecutors and staff, and increased funds for the Justice Department Criminal Division to support 168 new positions, to handle drug cases, weapons offenses, and other priority matters.
- **Expanding Prison Capacity:** The President proposed an additional \$1 billion for Federal prison construction, bringing the total FY 1990 budget to over \$1.5 billion. This will add 24,000 new Federal prison beds to the current 31,000 beds, an increase of nearly 80%.
- **Anti-Drug Treaty:** The Vienna Convention on Illicit Drugs and Psychotropic Substances was strongly endorsed by the President and forwarded to the Congress for ratification. This is the most significant and far-reaching treaty on international cooperation on drug trafficking, chemical precursor control, and money laundering ever to be signed.

#### THE ENVIRONMENT

President Bush, a long-time environmentalist, has taken strong action to protect the environment. He believes that environmental protection, conservation, and wise management of

our national resources must have a high priority on our national agenda.

ACTION BY THE ADMINISTRATION:

- o **Clean Air legislation:** On June 12, the President announced proposals to reduce emissions which cause acid rain, urban ozone and toxic air pollution. The proposals, the first major overhaul of the Clean Air Act to be proposed by an Administration in over a decade, call for a 10 billion ton reduction in SO<sub>2</sub> emissions by the year 2000, a 2 million ton reduction in NO<sub>x</sub>, a 40 percent reduction in emission of volatile organic compounds, and a reduction of 75 to 90 percent in air toxic emissions. These reductions will also help curb any increase in global warming resulting from fossil fuel combustion. The proposal also calls for the use of alternative fuels in one million vehicles by 1997. Alternative fuels, while reducing ozone precursors, will also reduce the toxic aromatics which come from conventional gasoline. The President submitted a comprehensive Clean Air bill to the Congress on July 21 embodying the proposals announced on June 12.
  
- o **Natural Gas Decontrol:** On July 26, the President signed into law the Wellhead Decontrol Act of 1989, which ends all remaining price controls on natural gas.

- **Clean Coal Technologies:** The President proposed \$710 million in FY 1990 for the Clean Coal Technology program.
  
- **Clean water and coastlines:** On March 10, the Department of Justice and the EPA implemented a medical waste tracking program to track medical wastes to ensure proper disposal and prevent ocean pollution -- the first step in a comprehensive program to help keep our beaches clean. The President is committed to end ocean dumping of sewage sludge by 1991.
  
- **Cleaning up hazardous wastes:** On March 10, The President announced he will be seeking new legislation to amend the Resource Conservation and Recovery Act in order to give the United States Government authority to ban all exports of hazardous waste unless an agreement exists with the receiving country providing for the safe handling and management of those wastes.
  
- **[[Alaskan oil spill:** A Cabinet-level team was sent to assess the Alaskan oil spill, and a joint federal-state resource recovery team was convened. The National Transportation Safety Board is investigating the accident. Exxon has accepted responsibility for paying for the clean up, and for

employing local civilian personnel necessary to control further damage.

The Departments of Transportation and Interior, as well as the EPA, are coordinating the long-range planning to restore the environment of Prince William Sound, and the President has ordered a review of existing contingency plans for accidents such as this.

The President also proposed, and the Paris Summit leaders accepted, a call for increased international efforts on oil spill prevention and clean-up.]]

- o [[Oil Spill Legislation: On May 11, the Administration transmitted to Congress comprehensive oil pollution liability and compensation legislation that broadens and strengthens our existing patchwork of laws. The bill provides swift and assured compensation for clean up costs and damages through a liability system based on strict financial responsibility requirements for shipowners backed up by an oil-industry financed fund.]]
  
- o **Offshore Oil Drilling:** The President postponed lease sales and offshore oil and gas development in environmentally sensitive areas off the coasts of California and Florida. The President set up a task force to examine the issues and report back to him in January of 1990.

- [[Also, Secretary of Energy Watkins has put forth a plan of action to identify and prioritize clean up of defense and civilian radioactive waste; meet the Nation's security needs; and comply with environmental safety and health laws.]]
  
- **Superfund:** The President's budget proposed \$315 million to pursue an aggressive cleanup schedule of toxic waste sites; the Administration has opposed Congressional efforts to cut the Superfund budget to \$150 million. On June 14, EPA Administrator Reilly, following the President's direction, concluded a Management Review of the Superfund Program. The agency has decided to add five hundred people to the enforcement staff to ensure that sites are cleaned up.
  
- **Global Climate Issues:** Through its position as chairman of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC), the U.S. has called for initial discussions potentially leading toward a convention on global climate change. Also, the President proposed an increase in global environmental research for FY 1990 of 43 percent, or over \$190 million. In addition, the Clean Air Act initiatives and Clean Coal Technology Program will play a significant role in controlling greenhouse gas emissions. The President called for a worldwide phaseout of ozone-depleting

chlorofluorocarbons by the year 2000, if safe substitutes are available.

- **Wetlands, National Parks, and Reforestation:** The President is also committed to a national goal of "no net loss of wetlands" and an interagency task force has been convened to develop recommendations to achieve that goal.

He has proposed \$206 million in new money to expand and improve America's parks and wildlife refuges, preserving them for generations to come.

Finally, the President supports increased lending by the development banks for reforestation programs and the implementation of the Tropical Forest Action Plan. He also endorsed the call by the Paris Economic Summit for an end to world deforestation.

- **Asbestos Ban:** On July 7, EPA announced an almost total phase-out of nearly all uses of asbestos by 1997. The ban will prohibit importation, manufacture, and processing of asbestos, a carcinogen linked to lung cancer and mesothelioma (lung and chest cancer).
- **Improved Forecasting:** The Commerce Department announced that beginning in Fiscal Year 1990, the National Weather Service will modernize and restructure its operations to provide improved forecasting and weather warning systems. The new

system will include advanced weather radar, observation automation, and a new communications system.

- **Ban on African Elephant Ivory:** On June 5, the Administration announced an importation ban of African elephant ivory into the United States, making importation from any country illegal. The ban covers both commercial and non-commercial shipments.
  
- **Driftnet Fishing Agreements:** The Administration successfully persuaded Japan, Taiwan, and Korea to enter into driftnet fishing agreements to monitor driftnet practices and enforce laws prohibiting the taking of U.S. origin salmon.

#### EXPLORING SPACE

The President has made a commitment to the continued exploration of space, and has proposed the deployment of Space Station Freedom, the establishment of a permanent presence on the Moon, and a manned mission to Mars.

#### ACTION BY THE ADMINISTRATION:

- On April 20, The President demonstrated the importance he attaches to the development of space exploration by signing

an Executive Order establishing the National Space Council. President Bush named Vice President Quayle Chairman of the Council, which is charged with bringing "coherence and continuity and commitment to our efforts to explore, study and develop space.

- The President tasked the Council with developing "concrete recommendations to chart a new and continuing course to the Moon and Mars and beyond." Under the leadership of the Vice President, the Council is currently developing an options package for the President.
- The President ensured the adequate funding for space activities and obtained a 14 percent increase for NASA programs. The President also secured a 100 percent increase in the NASA budget for Space Station Freedom.

WORKING FOR A KINDER, GENTLER AMERICAAFFORDABLE HOUSING

The President is committed to bringing basic shelter and affordable housing within reach of millions of Americans. His HOPE initiative addresses the full range of housing concerns: shelter for the homeless, affordable housing for low-income families, open access to expanded job opportunities, and help for first-time home buyers.

ACTION BY THE ADMINISTRATION:

- o On November 10, the President unveiled HOPE, a comprehensive agenda of Homeownership and Opportunity for People Everywhere. Major elements include:
  - **First-time home buyers:** The President will ask Congress to enact legislation allowing first-time buyers to draw, without penalty, on IRA savings as a downpayment for their first home.
  - **Low-income housing:** The President called on Congress to renew the Low-Income Housing Tax Credit as part of a package that also includes a cut in the capital gains tax. He has also called on Congress to create at least **50 Enterprise Zones** over the next four years, using labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed

communities. In the hardest-hit urban areas, he has called for an elimination of the capital gains tax altogether. President Bush also supports housing vouchers that empower low-income families to choose where they want to live; and resident ownership and resident management of low income housing areas.

- **FHA reforms:** The Administration has announced major reforms to ensure that FHA is true to its primary mission of making housing affordable for low and moderate income families. The President has asked HUD Secretary Jack Kemp to convene a Blue Ribbon Commission to identify barriers to affordable housing, and to make recommendations on how these barriers can be removed.
- **Homelessness:** On November 9, the President signed a bill that substantially increased funding under the McKinney Homeless Assistance Act. The President has requested \$50 million for an initiative to reduce homelessness through public-private partnerships. Secretary Kemp has been charged with finding new ways to put a portion of FHA foreclosures into the hands of non-profit groups that work with housing rehabilitation to fight inner city poverty.

CHILD CARE

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

ACTION BY THE ADMINISTRATION:

- o **Child care:** The President transmitted to Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which:
  - Provides a new refundable child care tax credit of up to \$1000 per child under age four, for low income working families.
  - Makes the existing Child and Dependent Care Tax Credit refundable.
  - Does not discriminate against religious- or family-based child care, or a parent who chooses not to work outside the home.
  
- o [[The President has directed Secretary of Labor Dole to determine whether the barriers to securing liability insurance impair employer-provided child care.]]
  
- o **Head Start:** The President also transmitted legislation to Congress that would allow a \$250 million increase in Head

Start appropriation. This will pay for enrollment of up to 95,000 more four-year-olds in the program.

### AIDS INITIATIVES

The President has made combatting AIDS a national priority. The Administration is moving on a number of fronts to combat the spread of AIDS.

#### ACTION BY THE ADMINISTRATION:

- **[[AIDS Clinical Trials Information Service:** The Administration developed a computerized listing through which AIDS patients and their doctors can get up-to-date information on clinical trials of AIDS drugs and vaccines -- whether federally or privately sponsored.]]
- **Experimental AIDS Drugs:** Through the promotion of wider availability of experimental and therapeutic drugs such as AZT, the President has demonstrated his commitment to the eradication of the HIV virus and AIDS.
- **[[AIDS Prevention Guide:** The Administration joined the National Parent Teachers Association in announcing the distribution of 500,000 copies of the "AIDS Prevention Guide" for use by parents and teachers nationwide.]]

- o [[**\$5 Million Transferred to States -- AIDS Treatment:** The Administration transferred \$5 million from currently appropriated AIDS funds to assist needy individuals in the purchase of treatment drugs for AIDS and related conditions.]]

#### ADOPTION

The President is committed to promoting adoption, especially of special needs children.

#### ACTION BY THE ADMINISTRATION:

- o **Legislation:** In September, the President sent two legislative proposals to Congress designed to encourage adoption of special needs children:
  - The first permits adoptive parents to deduct \$3000 from taxable income for adoption-related expenses.
  - The second reimburses Federal employees who adopt up to \$2000 for expenses.
- o In addition, the President has directed all Federal agencies to develop plans for supporting and promoting adoption of special needs children (e.g., flexible leave.)

#### NATIONAL SERVICE

The President's vision to help overcome the disintegration of communities and build a better America -- not through a

federal government program, but through a nationwide service movement -- has three facets: First, to issue a call to all individuals and institutions to claim society's problems as their own; second, to identify, enlarge, and replicate what is working; and third, to discover and encourage new leaders.

*Community* ✓

*multiply* ✓

ACTION BY THE ADMINISTRATION:

- o In a series of speeches, President Bush called on all Americans and all American institutions, large and small, to make service of central value in their daily life and work.
- o The President announced the formation of a foundation called the **Points of Light Initiative**, of which he will serve as Honorary Chairman, and Gov. Thomas Kean as Chairman. Formed to identify and build upon what is working, the Foundation will act as a magnet for the best ideas and brightest programs in community service and then serve as a catalyst to project these ideas into every corner of the nation. The Administration will ask Congress for \$25 million annually to support this initiative, which will, in turn, seek matching funds from the private sector. The President has also encouraged all communities nationwide to join the movement by forming local "Points of Light Action Groups" composed of outstanding leaders.

*Community*

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-- Through a Foundation initiative called the **ServNet Project**, professional firms, corporations, unions, schools, religious, civic and not-for-profit groups will be asked to donate the services of some of their most talented and promising people for a period of time. Peer-to-peer working groups will be formed to ~~implement~~ examples of successful initiatives and provide training, technical assistance and other support to enable other institutions to devise similar initiatives.

-- Another Foundation initiative, the **ServLink Project**, will help improve existing methods of matching would-be volunteers with purposeful service opportunities. ServLink will stimulate the development, through private sector resources, of "technology links" like telephone hotlines, interactive computer programs, electronic bulletin boards and other mechanisms between those who wish to serve and those needing service in the inquirer's own community.

-- The President has named a Presidential Commission to advise him on the legal structure for the Points of Light Foundation. The Commission is scheduled to report to the President on [date].

-- The Foundation will also discover and encourage new leaders by sponsoring workshops, forums, and symposia on community service leadership development, and by

*Projects*

*and the legislation needed to accept the Foundation's goals, chaired by Governor Thomas Lee of New Jersey,*

*Institute*

*in the field of community service*

*in early December*

*and develop*

recognizing new leaders through at least two new Presidential Awards:

- The National Service Youth Leadership Awards will be given each year to individuals.
- The President's Build A Community Awards will honor those people and institutions who have worked together to rebuild families or to revitalize communities.

#### CIVIL RIGHTS

The Bush Administration is committed to reaching out to minorities, and to striking down barriers to free and open access. The President has made it clear that this Administration will not tolerate discrimination, bigotry, or bias of any kind.

#### ACTION BY THE ADMINISTRATION:

- o **Civil rights:** The Administration has taken a number of actions to protect the civil rights of all Americans, including several court actions in key civil rights cases.
  - [[-- The President has called upon Congress to reauthorize the Commission on Civil Rights.
  - The Administration endorsed the Hate Crimes Bill, which provides for the collection of data about crimes motivated by race, religion, or ethnicity.

- On March 13, Attorney General Thornburgh announced the filing of Federal housing discrimination lawsuits seeking monetary damages and civil penalties under the expanded enforcement authority of the Fair Housing Amendments Act of 1988.]]
  
- o **Disabled Americans:** The President is committed to legislation that would extend civil rights protections to disabled Americans. This legislation, called the **Americans with Disabilities Act**, would represent the most significant expansion of federal civil rights laws in the past two decades. The Act passed the Senate on September 7, and has been awaiting passage in the House since then.
  - The legislation would provide unprecedented protections against discrimination in the area of employment, requiring reasonable accommodation be made by employers for disabled potential employees.
  - Most new buildings would be required to be accessible to the disabled.
  - Stores, providers of services, restaurants, and other public accommodations would be required to serve disabled Americans to the same extent they serve able Americans.
  
- o **Whistleblower protection:** On April 10, the President signed S. 20, the **Whistleblower Protection Act of 1989**. This law

will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.

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

#### WELFARE REFORM

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

#### ACTION BY THE ADMINISTRATION:

- o [[Welfare reform: The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988. The proposed rules are designed to:

- **Target job training assistance** to those who are most likely to benefit and who are most at risk for long-term welfare dependency.
  - Provide **maximum level of flexibility** to AFDC parents in obtaining the type of **child care** that best suits their needs, consistent with the Administration's legislative proposals on child care.
  - The Administration is proposing to spend \$3.6 billion over the next five years implementing the **JOBS Program**. The changes will pay benefits in the future by reducing the number of individuals on welfare. It is estimated that 138,000 families will be able to leave welfare rolls over five years as a result of this program.]]
- o **Low Income Opportunity Board:** To continue progress in the area of welfare reform, the President reinstated this welfare policy coordinating unit established under President Reagan as the Interagency Low Income Opportunity Advisory Board. The Board enhances interagency coordination of Executive Branch activities designed to lift low-income Americans up from dependency, and assists States that seek to demonstrate more effective approaches for using Federal dollars to serve the low-income population.

EXPANSION OF MEDICAID

The President is committed to health care for disadvantaged mothers and children, the disabled, and poor, aged Americans and has called for full funding of Medicaid. This will mean \$39.1 billion for FY 1990, an increase of \$4.8 billion, or 12.2 percent over the FY 1989 level.

ACTION BY THE ADMINISTRATION:

- o **Expanding Medicaid:** President Bush has taken concrete steps toward improving health care for at-risk populations and decreasing infant mortality. This year, he asked Congress to raise mandatory Medicaid eligibility for pregnant women and infants to 130 percent of the poverty level. In addition, he requested an expansion of Medicaid coverage of immunizations for all children under age 6 who are eligible for Food Stamps.

ETHICS

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

ACTION BY THE ADMINISTRATION:

- o **[[Campaign Finance Reform:** The President's comprehensive campaign finance reform proposal is designed to lessen the power of special economic interests and restore real competition to American Congressional elections. The package seeks to enhance the role of individuals and the political parties in elections. Below are proposal highlights:
  - **Eliminating political action committees (PACs)** supported by corporations, unions, or trade associations, and prohibiting such entities from paying for the overhead or administrative costs of any independent PAC.
  - **Strengthening political parties by increasing the amounts they can spend on behalf of congressional candidates.** This source of funds would permit legislators to spend less time fundraising, would ensure that challengers have greater resources with which to challenge incumbents, and would further limit the role of special economic interests in elections.
  - **Addressing the problem of the "permanent Congress" by reforms designed to reduce the unwarranted advantages of incumbency.** Specifically, the proposals would

- prohibit the personal use of excess campaign funds, drastically reduce Congressional mailings under the frank, ban the rollover of campaign funds from one election cycle to the next, and legislate fair neutral criteria for the redistricting of Congressional and legislative lines that will follow the 1990 census.
- Fully disclosing all soft money spent by the political parties and all labor unions, corporations, and trade associations to influence a federal election.]]

- o [[Ethics: The President issued an Executive Order creating the President's Commission on Federal Ethics Law Reform, which submitted its recommendations to the President on March 9. Responding to the Commission's work, the President, on April 12, sent to Congress a sweeping ethics bill and simultaneously issued an Executive Order announcing ethical principles for the conduct of executive branch employees. The President's proposals include:
  - Expanded financial disclosure for all three branches of government.
  - Deferral of tax liability when an individual is required by his or her agency to divest assets in order to avoid conflicts of interest.
  - Strengthened rules against abusing the revolving door for private gain at the expense of the public trust.

These rules would also apply for the first time to the legislative branch.

- A 25 percent pay raise for federal judges was proposed in the legislation submitted April 12. On July 7, the President submitted separate legislation calling for pay increases for certain specialized professionals and other senior officials in the executive branch.
- **Congressional Honoraria Ban:** On July 7, the President also sent to Congress legislation that calls for the elimination of Congressional honoraria by 1991, making the next Congress honoraria-free. This proposal is linked to the enactment by Congress of a pay increase for its Members, and the President will work with Congress toward this end.
- The extension of the federal statute that prohibits employees from taking actions that enhance their own financial interest to cover legislative and judicial branch employees (but not Members of Congress).
- The extension of the **Independent Counsel** statute to cover the Congress and the creation of an independent, non-partisan Congressional Ethics Office.
- A ban on outside earned income for full-time non-career Presidential appointees in the executive branch, including non-career employees in the immediate White House Office.]]

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November 21, 1989

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BUILDING A BETTER AMERICA  
ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

KEEPING THE ECONOMY STRONG

Maintaining the current expansion with low inflation is the key to improving standards of living, increasing job opportunities for all Americans, and increasing investment in productive capacity. Economic performance during this expansion has been exceptionally good with extraordinary job growth. The policies of the Bush Administration are designed to preserve this strong record.

o **Record peacetime expansion:** The current expansion reached 84 months in November. This is the second longest economic expansion in U.S. history and the longest peacetime expansion.

o **Job creation:** Over 20 million new jobs have been created during this expansion, and this year the unemployment rate has reached levels not seen in <sup>over</sup> 15 years. The benefits of robust economic growth have been shared by <sup>all</sup> a wide variety of ~~demographic groups~~ <sup>as indicated by historically low unemployment rates for women and minorities</sup>. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined. <sup>A higher percentage American adults is at work than at any other time in our history.</sup>

insert d

SUGGESTED ADDITION  
Page 2 (Detailed Document)

- o Improved International Trade Position: The international trade position of the United States has improved substantially. U.S. exports are at an all-time high and the trade deficit (as measured by exports minus imports) has been cut in half from its level in 1987.


- **Record income:** Real per capita disposable personal income -- personal income after taxes and inflation -- has risen <sup>20</sup>19 percent during this expansion.
- **Higher national saving ~~and investment~~:** Partly due to the discipline of the Gramm-Rudman-Hollings process, the Federal deficit has declined from 6.3 percent of GNP in fiscal year 1983 to 3.0 percent <sup>in FY 1989</sup> ~~this fiscal year~~. The personal saving rate averaged 5.4 percent over the first three quarters of 1989, well above its recent low of 3.2 percent in 1987.
- *insert d (see attached)*
- **Inflation under control:** Consumer price inflation has remained under 5 percent in each of the seven years from 1982 to 1988, and the recent slowing in economic growth to a sustainable rate will lessen price pressures in the near future. In the last twelve months, the CPI has increased only 4.<sup>5</sup> percent and, in the last three months, the index has risen <sup>6</sup>only 2.<sup>6</sup> percent at an annual rate *of*

ACTION BY THE ADMINISTRATION:

- **Implementing fiscal restraint:** In view of the failure of the ~~Congress~~ to legislate the budget agreement reached last spring, the Administration has implemented a sequester of funds under the Gramm-Rudman-Hollings law. This sequester will effectively restrain federal spending while it is in

*insert e  
(over)*

insert e - Throughout the year, the Administration negotiated with Congress to pass a fiscally responsible budget agreement that met the ~~deficit reduction~~ requirements of the Gramm-Rudman-Healing's law. As a result of the negotiations, a series of appropriations bills ~~were~~ ~~finally~~ and a budget reconciliation bill were finally enacted which ~~reduced the budget deficit for~~ ~~fiscal year 1990 to a level consistent with the G.R.H.~~ meet the deficit reduction targets with no new taxes.



force, and will help reach the President's goal of hitting the Gramm-Rudman targets with no new taxes.

- **Addressing the international debt problem:** The Administration has taken the lead in encouraging commercial banks to reduce the debt and debt service burdens of developing countries. Recently, three countries -- Mexico, the Philippines, and Costa Rica -- have reached <sup>final</sup> agreements <sup>or</sup> with commercial banks under the Administration's debt plan. <sup>agreements in principle</sup> The differences in these agreements appropriately reflect differing circumstances in the three countries and illustrate the flexibility of the Administration's approach.
- **Minimum wage agreement:** The Administration and Congressional leaders reached agreement on a plan, now signed into law, to raise the minimum wage to \$4.25 per hour and to permit businesses to pay a training wage to young, entry-level workers. The higher minimum wage will help the working poor, <sup>while preserving jobs</sup> and the training wage will allow businesses to hire inexperienced workers and give them the start they need in a working career.
- **Disaster assistance:** The Administration and Congress <sup>have</sup> are working <sup>ed</sup> together to provide <sup>necessary supplemental</sup> adequate funding to assist victims of Hurricane Hugo and the California earthquake. This funding will help <sup>is</sup> <sup>ing to</sup> provide <sup>those who lost their homes</sup> the homeless with temporary

shelter, <sup>is</sup> will assist <sup>ing</sup> uninsured, needy families <sup>and business owners</sup> rebuild their homes, and will help <sup>is</sup> <sup>ing</sup> ~~the state as well as counties and municipalities~~ to rebuild highways and other public facilities.

*Federal funding to rebuild transportation systems ~~will exceed~~ \$1 billion.*

*and business establishments*



- **Savings and Loan reform:** The President signed the Financial Institution Reform, Recovery and Enforcement Act of 1989 on August 9. This legislation <sup>Came</sup> ~~comes~~ to grips with the <sup>serious fiscal</sup> ~~problems~~ facing our savings and loan industry, and <sup>has</sup> ~~will~~ safeguard and stabilize <sup>d</sup> America's financial system. The Act assures that the long developing problems in our savings industry will never happen again. It significantly reforms the regulation of the thrift industry and separates the chartering of the institutions from the insurance of deposits. It establishes strict new guidelines to assure the solvency of thrift institutions in the future, including new capital requirements, and sets stiff penalties for wrongdoing by the officers of insured institutions. Further, the act <sup>provides</sup> ~~establishes new agencies to remedy existing problems in the thrift industry and authorizes funds to finance the restructuring of insolvent institutions.~~

- **International Trade:** The Administration is forcefully promoting the opening of world markets through bilateral negotiations and the Uruguay Round of <sup>multilateral negotiations under</sup> ~~the~~ General Agreement on Tariffs and Trade. It successfully broke a stalemate in

*Cheek  
Baskin/Porter  
Long-w/ JSTR*



the Uruguay Round's mid-term review and put in place a framework, agreed to by the 96 member nations, to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with Japan to identify and eliminate structural factors that may impede efficient patterns of world trade. The approaches being pursued in these discussions will provide long-term benefits for both countries. The Administration has also created a high level interagency group to assure that U.S. trade and investment interests are addressed as the European Community works to

*insert F*

1) To further meet the global economic challenges of the 1990's, the President named Vice President Quayle chairman of a newly established Council on Competitiveness. Under the leadership of the Vice President, the council has developed a strategy for reform of the existing maze of product liability laws in order to maintain American competitiveness.

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o **Steel imports:** The President initiated <sup>*and the Administration successfully implemented*</sup> a two-and-a-half year Steel Trade Liberalization Program <sup>*The program is*</sup> designed to phase out, in a responsible and orderly manner, the Voluntary Restraint Arrangements (VRAs) that currently limit steel imports into the U.S. and to negotiate an international consensus to address trade-distorting practices.

o **Agricultural initiatives:** The Administration has announced <sup>*placed*</sup> its comprehensive agricultural proposals <sup>*before*</sup> for the <sup>*Uruguay Round of*</sup> General Agreement on Tariffs and Trade. <sup>*multilateral trade negotiations.*</sup> These proposals would <sup>*of producing countries*</sup> harmonize domestic agricultural programs and reduce

distortions to patterns of international production and trade. In addition, the Administration has formed a task force to develop a farm bill for 1990.

*Strategy*

- o **National Energy Plan:** The President directed the Secretary of Energy to develop a comprehensive national energy strategy for the nation. The strategy will help the nation meet our energy security and environmental responsibilities and, at the same time, ~~allow a sensible mix of energy sources~~ *ensure that markets will provide* to protect America's economic competitiveness.

*transportation policy?*

*and energy conservation measures*

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

In his Inaugural Address, the President said, "The day of the dictator is over. The totalitarian era is passing, its old ideas blown away like leaves from an ancient lifeless tree." Indeed, this year has seen dramatic and promising changes. From the Third World to the Communist World, ~~surging internal forces~~ <sup>the resurgence of the ideals of political and economic freedom has</sup> ~~of democratization and economic reform~~ have shaken Marxist and other authoritarian regimes to their foundations. The President is determined to continue moving on a broad front to seize this unique opportunity to strengthen world peace and the ~~course~~ <sup>cause</sup> of freedom.

ACTION BY THE ADMINISTRATION:

- Maintaining America's leadership role in ~~international~~ <sup>the world,</sup> ~~affairs,~~ <sup>President</sup>*
- o **A Resurgence of Democracy:** The Administration developed an ~~early~~ <sup>early</sup> strategy to encourage and help sustain the historic processes taking place, especially in Eastern Europe. Early in his Administration, the President expressed his hope for the success of perestroika in the Soviet Union. In April, ~~the President~~ <sup>he</sup> spoke in Hamtramck, Michigan, and called ~~for~~ <sup>ing for</sup> self-determination in Eastern Europe and an end to the division of the continent. In May, President Bush called for the Berlin Wall to come down, and ~~set~~ <sup>he</sup> forth his vision of a Europe "whole and free" during his visit to Mainz, Germany. <sup>insert 9 (p. 8 on word)</sup> ~~Throughout the year, the President has~~

~~continuously promoted the idea of freedom through his speeches, two State visits to Europe, and constant contact with world leaders.~~

~~1950-59~~

- **Western Europe:** The President proposed new mechanisms for U.S. consultation and cooperation with the EC Commission and member states as the European Community <sup>WORKS</sup> heads toward <sup>creating</sup> a single market and ~~closer political cooperation~~ in 1992. Seeing the resurgence of Western Europe as a triumph of democratic values and principles, the President has welcomed its success, confident that a mature U.S.-E.C. partnership will serve our mutual interests and serve as a beacon for the East.
- **NATO Summit:** At the successful NATO Summit <sup>in May</sup>, the President's vision of Europe as well as agreement on a new conventional arms reduction initiative helped build Alliance unity and confidence and define the Alliance's future agenda.
- **Eastern Europe:** As Poland and Hungary have taken unprecedented steps toward pluralism, democracy, and market economic policies, the United States <sup>encouraged each step and</sup> has ~~signaled~~ its strong support ~~every step of the way~~. The President has also encouraged more recent movement towards change in East ~~Bulgaria and Czechoslovakia~~. The President's strong support for political pluralism and economic reform in Hungary and Poland was

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[In the Western Hemisphere, the President strongly supported the extension of democracy especially in Nicaragua and Panama where the United States has worked with the OAS to encourage free and fair elections -- and to condemn efforts to thwart the expressed will of the people. In October, the President underscored the U.S. commitment to hemispheric democracy by attending the 100th anniversary celebration of Costa Rican democracy.

highlighted by his visits to those nations, and by the international leadership he ~~has~~ exercised in <sup>mobilizing</sup> ~~gaining~~ major international backing for these reforms. The President ~~has~~ offered a major U.S. package of economic assistance and trade and investment incentives to assist in the economic restructuring of Poland and Hungary. *All elements of the President's package were adopted by the Congress and become the framework for the "Support for East European Democracy Act."*

- o **Poland:** Following up on the program he announced on April 17 in Hamtramck, Michigan, the President called upon Congress to declare Poland a beneficiary country under the U.S. Generalized System of Preferences and to authorize the Overseas Private Investment Corporation to operate in Poland. The U.S. proposed a business and economic agreement that will promote trade, investment and other contacts between the private sectors of both countries. The President <sup>also</sup> ~~will~~ <sup>ask</sup> Congress to approve a \$200 million grant for stabilization purposes, which would be the U.S. contribution to the \$1 billion in Western assistance the Poles have requested. <sup>In November, he</sup> ~~The President [has sent]~~ <sup>of experts</sup> to Warsaw a Presidential Mission, headed by Agriculture Secretary Yeutter, <sup>to</sup> discuss with the Polish Government its economic plans and evaluate its needs. This mission also includes Secretaries Dole and Mosbacher, and Michael Boskin, Chairman of the Council of Economic Advisors, along with business and labor leaders. It <sup>?</sup> (will make) recommendations to the President based on their findings and deliberations with

experts from the twenty-four nation "Group for Economic Assistance to Poland and Hungary" as to the most effective use of the \$1 billion stabilization fund. The President has also asked Congress to provide a \$100 million ~~Enterprise~~ fund to help capitalize and invigorate the Polish private sector and has encouraged the World Bank to move ahead with new loans to help Polish agriculture and industry.

- o **Hungary:** The President <sup>ed also</sup> ~~has~~ asked Congress to authorize a \$25 million <sup>Enterprise</sup> fund as a source of new capital to invigorate the Hungarian private sector. [The President informed Congress that Hungary is now receiving Most-Favored-Nation tariff treatment for the maximum period allowable under the law.] The President also declared Hungary a beneficiary country under our Generalized System of Preferences which will allow duty free entry of Hungarian products into the U.S. market. He also called for legislation to allow OPIC to operate in Hungary, and for greater scientific, technical, educational, and cultural exchanges between the US and Hungary. The President will seek to establish an International Environmental Center for Central and Eastern Europe in Budapest. Finally, he announced that the Peace Corps would operate in Hungary to enhance English language training -- the first time in a European country.

*double check language*

*The U.S. will negotiate a comprehensive business and economic agreement with Hungary to improve the business environment there while*

- o **The Economic Summit in Paris:** Immediately after the President's historic visit to Poland and Hungary, he proposed to the other world leaders gathered at the Paris Economic Summit that the industrial democracies join together to assist economic and political reform in Hungary and Poland. This led to creation of the "Group for Economic Assistance to Poland and Hungary." The industrial democracies also demonstrated their unity, by dealing with a variety of issues on the international economic agenda, as well as the problem of drugs and the environment.
  
- o **"Beyond Containment":** Seeing an historic process of change in the Soviet Union, the President has declared his intention to move beyond the successful policy of containment of Soviet power to a new policy whose goal is integrating the Soviet Union into the world community as a constructive partner. Positive changes so far in Soviet policies -- in human rights, economic reforms, and settlement of some international conflicts -- need to be encouraged and broadened. The United States will be ready to respond to such further developments. Already:
  - The US-Soviet dialogue on conflicts in regions of the Third World has resumed intensively, and discussions have begun on a new range of global problems that require global cooperation, such as terrorism, the environment, and narcotics.

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① At the Wyoming Ministerial, the US and USSR resolved major disagreements about the verification protocols to the Threshold Test Ban and Peaceful Nuclear Explosions Treaties, opening the way to completion of the treaties in 1990.

② Finally, in his speech to the UN General Assembly, the President proposed a new initiative to further a ban on chemical weapons, challenging the Soviets to early destruction of a majority of the stocks of these weapons even while a multilateral treaty is being negotiated.

In arms control, the President has accelerated the pace of negotiations, with new American initiatives on reducing conventional forces in Europe (endorsed by the NATO Summit), a chemical weapons ban, and ~~on~~ strategic arms reduction. U.S. initiatives ~~also aim at early progress~~ on verification issues <sup>will facilitate</sup> ~~to further~~ early

agreement on strategic arms reductions. <sup>also</sup> The President <sup>proposed</sup> an "Open Skies" initiative to improve the openness of military activities in NATO and Warsaw Pact countries; it will be the subject of a Canadian-sponsored international conference early in 1990.

- China: On his visit to China in February, the President emphasized the long-term strategic importance of the U.S.-China relationship and his support for the process of reform. In response to the subsequent tragic suppression of the democratic movement in China, the President ordered the suspension of all government-to-government sales and commercial exports of weapons, suspension of visits between US and Chinese military leaders, sympathetic review of requests by Chinese students in the United States to extend their stay, and review of other aspects of US-PRC bilateral relations. The President's policy <sup>makes clear</sup> ~~signals~~ that repression cannot be condoned. But it also seeks to preserve the basic elements of a strategically important relationship that has, itself, played a major part in China's recent policy of reform and openness -- and can do so again in the future.
- Latin America: The President has established a close, working relationship with Latin American neighbors to foster

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*insert H*

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- o **Latin America:** The President has established a close, working relationship with Latin American neighbors to foster

a new partnership on hemisphere problems like democracy, debt, and drugs. Relations with Mexico are closer than at any time in recent memory. The U.S. has also worked with the Organization of American States to develop a hemispheric consensus that Manuel Noriega should leave power and permit restoration of democratic rule. *Insert I* ~~In early February, Vice~~

2) In early February, Vice President Quayle travelled to El Salvador to support free and fair elections and to deliver a warning to the Salvadoran military over human rights violations. In late June, the Vice President again visited El Salvador, as well as Costa Rica, Guatemala, and Honduras, advancing the Administration's policy on Panama and Nicaragua. He succeeded in having Costa Rican President Oscar Arias join in pressuring the Sandinista regime in Nicaragua to hold fair elections there. *Insert I*

*In October, the President attended a meeting and Nicaragua. He successfully urged Costa Rican President of hemispheric leaders in San Jose, Costa Rica, where he Oscar Arias to note that fair elections are now impossible stressed the importance of democracy to this Hemisphere in Nicaragua. and confirmed Nicaragua's isolation.*

- o **Bipartisan Accord on Central America:** On March 24, the President and Congress agreed on a bipartisan plan for peace and democracy in Central America:
  - **Regional peace:** The President and Congress agreed that the region's democracies deserve our support, that Nicaragua's subversion of its neighbors must end, and that Soviet and Cuban support for violence and subversion in the hemisphere must also end.
  - **Humanitarian aid:** Congress agreed to support the Administration's request for continued humanitarian assistance for the Nicaraguan Resistance at current

levels through the elections in Nicaragua scheduled for February, 1990.

- Democracy: The Marxist Sandinistas are being put to the test to permit a real democratic electoral contest for political power, fulfilling the promises of democratic pluralism that they have made ~~and broken~~ so often before. Aid to the Nicaraguan opposition to help bring about a free and fair election was approved with bipartisan Congressional support. On November 14, a Presidential Commission on Election Monitoring in Nicaragua was formed, including Senators and Representatives from both sides of the aisle.

?  
-- *Panama*

- o **Middle East:** The Administration is ~~devoted to~~ promoting progress toward peace in the Middle East by supporting the Government of Israel's May 14 initiative calling for Palestinian elections in the occupied territories. These elections can be a step toward a comprehensive peace settlement that assures Israel's security and the legitimate political rights of the Palestinians. The Administration ~~also has supported~~ <sup>is actively</sup> ~~the efforts of the Arab League and others to end the internecine warfare and slaughter of innocents,~~ and to bring peace <sup>in</sup> ~~to~~ Lebanon.

A five point framework advanced by the United States is central to these efforts.

- and it adopted
- o **A Strong Defense:** The President proposed to Congress <sup>an</sup> integrated package on strategic modernization that modernizes the entire strategic triad. *Although Congress made some reductions in amounts requested, its actions generally support the President's objectives.*
- The President proposed to Congress a two-missile plan to maintain a strong, modernized strategic deterrent. *bipartisan consensus* The plan to deploy the rail-mobile Peacekeeper and the road-mobile Small ICBM will <sup>also</sup> give the U.S. momentum in strategic arms control negotiations.
- The modernization plan capitalizes on the revolutionary potential of the B-2, and modernizes the third leg of the triad, our strategic submarine force. These programs are all essential to our arms control positions.
- The President requested ~~a funding level of \$4.6 billion~~ for the Strategic Defense Initiative to support an informed development and deployment decision within the next four years.
- The President also directed the Department of Defense *a Defense Management Review to develop a plan* ~~to implement its recent blueprint to strengthen and streamline the weapons procurement process.~~ *fully the Packard Commission's defense acquisition system and to manage defense resources more effectively. The Review has been completed and its recommended actions are now being implemented to save billions of dollars annually.*
- o **Asian initiatives:** ~~Vice President Quayle, in two separate trips to the Pacific Rim countries and Asian nations, has played a key role in the formation of policy in a variety of areas. In his spring trip to Australia, Indonesia, Singapore and Thailand, he developed the U.S. policy on~~

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[Japan]

*The US relationship with Japan has grown stronger under the Bush Administration.*

~~Major strides have been made toward enhancing U.S.-Japan relations.~~ In security matters, Japan's contribution to the maintenance of U.S. forces stationed there increased by 12 percent, to \$2.8 billion per year, making it the most generous host nation support program ~~we enjoy~~ <sup>enjoyed by the US</sup> anywhere in the world. After a thorough inter-agency review, a major project <sup>also</sup> moved forward to co-develop an advanced fighter, based on the F-16; ~~this project will increase~~ <sup>ing</sup> the security of both Japan and the U.S. ~~in the Northwest Pacific~~ <sup>in</sup> ~~as well as~~ <sup>start</sup> provide \$2.5 billion in <sup>ing</sup> work for American companies and the first significant technology flow-back from Japan. As part of an emerging global partnership with the U.S., Japan will ~~be providing~~ <sup>ing</sup> significant financial contributions to Poland ~~as part of the \$10 billion per year that it provides~~ <sup>ing</sup> in development assistance throughout the world. On trade matters, the Structural Impediments Initiative talks have begun to clarify the long term sources of U.S.-Japan trade friction. In addition, talks aimed at opening markets for U.S. satellites, super-computers, and forest products.

contacts

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*Cooperation*

[Asia Pacific Economic Conference]

-- The Administration succeeded in launching -- through joint leadership with Japan, Korea, Australia and the ASEAN states -- the first conference on Asia Pacific Economic Cooperation in Canberra, Australia, in November. This was the first region-wide ministerial meeting to address collective responses to the great economic changes underway in the world. ~~As such, it was a milestone in Pacific Basin cooperation.~~ The APEC group will seek to present a united position in the Uruguay Round of GATT negotiations, establish working groups to study infrastructural needs of great importance to U.S. service industries in the region, and improve data sharing. Although modest at the outset -- by design -- these accomplishments are a solid beginning to fundamental trade liberalization in Asia and the Pacific.

[Cambodia]

~~On December 25, 1978 Vietnam invaded and occupied Cambodia. In doing so it pushed the Pol Pot government from power but the occupation continued for more than a decade. The United States, ASEAN, as well as allies and friends around the world refused to accept the legitimacy of the Vietnamese conquest. In September 1989, the U.S. insistence on the right of self determination for the Cambodian people was rewarded by the withdrawal of Vietnamese main-force military units. <sup>The United States</sup> U.S. policy on Cambodia will continue to press for a comprehensive solution based on the Cambodian people's right to choose its own government in free and fair elections. Internationally-supervised elections, under an interim government led by Prince Sihanouk, hold the best prospect for denying dominance to either the murderous Khmer Rouge or the Hun Sen regime that was installed by the Vietnamese army, ~~and~~~~

~~continues its military and political domination of the Cambodian people.~~

3) Vice President Quayle, in two separate trips to the Pacific Rim countries and Asian nations, has played a key role in the formulation of policy. In his spring trip to Australia, Indonesia, Singapore and Thailand, he worked to coordinate U.S. policy on Cambodia with that of our allies after the pullout of Vietnamese forces, and promoted U.S. trade interests. This fall, in a trip to South Korea, Japan, the Philippines, and Malaysia, the Vice President began delicate base negotiations with the Philippine government. He also restated U.S. commitment to Korea; signed an agreement on space cooperation with Japan; and advanced U.S. Cambodian policy in the region.

occupied by  
Vietnamese  
forces since  
1978,

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~~Cambodia after the pullout of Vietnamese forces; promoted U.S. trade interests; and monitored human rights and press freedom issues. This fall, in a trip to South Korea, Japan, the Philippines, and Malaysia, the Vice President began delicate base negotiations with the Philippine government. He also ascertained government and opposition positions on the U.S. troop reduction proposals for Korea; discussed serious manned space cooperation, and trade issues with the Japanese; and advanced U.S.-Cambodian policy with the Malaysian government.~~

- o **Air Transportation Security:** The Administration has taken several measures to enhance security and efficiency in the air transportation system. These efforts include:
  - 4 -- A proposed 17% increase in the budget for the Federal Aviation Administration.
  - 1 -- New requirements for installation of explosive detection devices in high-risk airports.
  - 2 -- Intense international negotiations to enhance security abroad.
  - *Heightened security requirements in Western Europe and the Middle East*
- 3 *Establishment of the President's Commission on Aviation Security and Terrorism*

INVESTING IN OUR FUTURE

Record economic growth has provided America<sup>s</sup> with the opportunity to invest in a brighter future. <sup>But,</sup> <sup>the Nation's</sup> Because ~~America's~~ available resources are limited, the President's programs are designed to focus our efforts on those initiatives most likely to <sup>continue to</sup> create growth in the years ahead.

EDUCATION

<sup>The President pledged to provide national leadership in education reform</sup>  
<sup>His</sup> The President's actions to improve education are guided by four ~~key~~ principles: <sup>encouraging</sup> recognizing excellence; <sup>targeting</sup> addressing need; promoting flexibility and choice; and ensuring accountability.

ACTION BY THE ADMINISTRATION:

- <sup>President Bush convened</sup>
- o <sup>"</sup> ~~The President's Education Summit with Governors~~ <sup>"</sup> was held on September 27 and 28 in Charlottesville, Virginia, <sup>This event marked</sup> and was <sup>our Nation's that a</sup> the third time in <sup>only</sup> history and President has called on the nation's ~~Governors~~ to address a single issue of national importance. The Summit brought together the President, his Cabinet and the Governors in working groups and plenary sessions to focus on issues <sup>of</sup> ~~including~~ choice and restructuring, teaching, the learning environment, governance, a competitive workforce and life-long learning, and postsecondary education.

-- The President and the Governors issued a Joint Statement -- a "Jeffersonian compact" -- committing to

page 18, line 2....committing to four objectives for education reform in America: establish national education goals; increase flexibility in the use of Federal funds; implement state-by-state restructuring of the education system in exchange for enhanced accountability for results; and measure progress. A commitment.....

*insert*

*Porter*

~~restructuring of the education system; and measurement of progress.~~ A commitment was made to <sup>develop</sup> address the <sup>initiatives to</sup> ~~issues of national goals and~~ increased flexibility <sup>and accountability</sup> in <sup>by</sup> early 1990.

- o On June 5, the President announced his intention to form the <sup>Chaired by Paul O'Neill, Chief Executive officer of Alcoa,</sup> President's Education Policy Advisory Committee. ~~The~~ <sup>the</sup> committee's membership includes representatives from education, business, labor and the media. ~~The committee will be chaired by Paul O'Neill, CEO of Alcoa,~~ <sup>and</sup> will advise the President directly on issues related to education policy.   
*The Committee, which met for the first time in November,*

- o On April 5, the President <sup>submitted</sup> ~~proposed and sent to the~~ Congress a comprehensive <sup>set of</sup> ~~education package,~~ <sup>initiatives</sup> ~~The Educational Excellence Act of 1989,~~ <sup>The Act proposes</sup> which includes seven initiatives:

-- The Presidential Merit Schools program -- to reward schools that are making substantial progress in raising students' educational achievement, creating a safe and drug-free school environment, and reducing the drop-out rate.

- **A new Magnet Schools of Excellence program** -- to support the establishment, expansion or enhancement of magnet schools, increasing parental choice and improving quality education.
- **The Alternative Certification of Teachers and Principals program** -- to assist States interested in broadening the pool of talent from which to recruit teachers and principals.
- **President's Awards for Excellence in Education** -- to ~~be~~<sup>recognize</sup> awarded to public and private school teachers in every state who meet the highest standards of excellence.
- **Drug-free Schools Urban Emergency Grants** -- to provide special assistance to selected urban school districts that are disproportionately affected by drug trafficking and abuse.
- **A National Science Scholars program** -- to provide college scholarships to high school seniors who have excelled in the sciences and mathematics.
- **Additional Funding Authorization for Endowment Matching Grants at Historically Black Colleges and Universities** -- to strengthen HBCUs by building endowments, an especially effective way to create financial strength and long-term security.

- On April 24, the President issued a new **Executive Order on Historically Black Colleges and Universities (HBCUs)**.

Highlights of the order include:

- Establishing the President's Board of Advisors on Historically Black Colleges and Universities in the Department of Education.
  - Directing Federal agencies to increase opportunities for HBCU involvement in Federal programs and directing the Secretary of Education to develop an Annual Federal Plan for Assistance.
  - Calling for the White House Office of National Service, along with other Federal offices to work to encourage private sector support of HBCUs.
- ~~Job training:~~ The Administration has sent to the Congress a proposal to improve the Job Training Partnership Act by targeting its resources on the poor and at risk youth and adults who most need job training to get jobs and become economically self sufficient. ~~]]~~

#### FIGHTING DRUG ABUSE

*assault in the*  
 A new war on drugs ~~in this country~~ began with the announcement of the President's National Drug Control Strategy. The President ~~laid out~~ <sup>set</sup> major new priorities in five principal areas: **the criminal justice system; drug treatment; education,**

community action, and the workplace; international initiatives; and interdiction efforts. Throughout, the strategy emphasizes the principle of user accountability.

ACTION BY THE ADMINISTRATION:

- In his first televised Address to the Nation, the President unveiled the National Drug Strategy in September, describing a coordinated and comprehensive plan of attack under the leadership of the Director of National Drug Control Policy, William Bennett.
- The National Drug Control Strategy recommends the largest dollar increase in the history of the drug war -- nearly \$2.2 billion, 39 percent above the FY 1989 level. Elements of the Strategy include:
  - Expanding the criminal justice system by providing funds for more police, jails, prosecutors, and courts; <sup>exploring</sup> developing alternatives for incarceration such as boot camps to free up jail and prison space; and requiring drug testing of prisoners, parolees, and arrestees.
  - Improving drug treatment by holding Federally-funded treatment programs accountable for their effectiveness <sup>through</sup> by ~~establishing~~ performance criteria; requiring drug testing in treatment programs receiving Federal funds; exploring the expanded use of "civil commitment," whereby addicts are sent by the courts to residential

treatment facilities; and improving drug treatment services for pregnant women.

- Promoting education, community action, and the workplace through emphasizing community-level prevention of drug use ~~before it starts~~; requiring schools and colleges to implement firm drug-free policies ~~in order to receive~~ Federal funds; ~~cleaning up~~ <sup>as a condition of receiving</sup> ~~and securing~~ <sup>working for</sup> ~~public housing~~; promoting drug-free <sup>safe and drug-free</sup> workplace policies in the private sector and implementing drug-free workplace policies within the Federal government; and by recommending testing for job applicants and employers <sup>&</sup> in safety and sensitive positions.

- <sup>Increasing</sup> ~~Placing heavier~~ emphasis on international initiatives, such as ~~the elevation of the drug issue as a foreign policy priority~~; ~~the dismantling of drug trafficking organizations~~, ~~the targeting of international efforts~~ closer to production and trafficking sources; and

reducing trafficking profits by focusing increased efforts on money laundering. <sup>The President responded to the drug-related crime and devastation in Columbia by providing technical</sup>

- Taking a fresh approach to interdiction efforts by creating interagency and interdisciplinary teams to analyze and target smuggling <sup>patterns</sup> ~~nodes~~, methods, and routes; targeting key individuals and high-value shipments; and enhancing <sup>the</sup> border interdiction systems, operations, and activities.

<sup>of the U.S. Coast Guard,</sup>  
Customs Service and the  
Department of Defense.

assistance, ~~and~~ weapons  
and other materials

COMBATTING VIOLENT CRIME

The President is working to strengthen the nation's criminal justice system and the Federal, state, and local law enforcement partnership.

Four principles underlie the goals of our criminal justice system and the means for accomplishing them: First, to protect citizens and their property; to hold those who commit violent crimes accountable for their actions; to have as the objective of our criminal justice system the swift and certain apprehension, prosecution and incarceration of those who break the law; and finally, to ensure a sustained, cooperative effort by Federal, state and local law enforcement authorities.

ACTION BY THE ADMINISTRATION:

- o *June* On *May* 15, President Bush sent to Congress **The Comprehensive Violent Crime Control Act of 1989** to combat violent crime. The President's initiative includes:
  - **Strengthening Current Laws:** The President is calling on Congress to double the mandatory minimum penalties
  - from five years to ten years in Federal prison -- for the use of semi-automatic weapons in violent *or drug-related* crimes, ~~or drug felonies.~~

In addition, the Attorney General has been directed to advise *Federal* ~~America's~~ prosecutors to end plea

~~bargaining for violent Federal~~ <sup>with persons accused of</sup> firearms offenses.

President Bush called on Congress to enact the <sup>legislation</sup> steps necessary to implement the death penalty for the most serious Federal crimes, and urged state Governors to match these Federal initiatives -- new mandatory sentencing, tougher rules on plea bargaining, and implementing the death penalty -- in the States.

-- **Controlling Certain Semi-Automatic Weapons:** In July, the Administration took action to ban permanently the importation of <sup>those</sup> ~~any~~ semi-automatic weapons which fail to meet the criteria specified in the Gun Control Act of 1968. The President also called for the closing of loopholes which allow access to such guns by certain classes of criminals, and he proposed prohibiting the importation, <sup>and</sup> ~~manufacture, sale, or transfer~~ of gun magazines of more than 15 rounds.

-- **Augmenting Enforcement:** The President has directed the Attorney General and the Treasury Secretary, working together with state and local authorities, to launch a comprehensive, coordinated offensive against America's most violent criminals.

President Bush requested funding for the hiring of 825 new Federal agents and staff -- 375 at the Bureau of Alcohol, Tobacco and Firearms; 300 at the FBI; and 150 Deputy U.S. Marshals. This offensive, ~~including~~

<sup>which also counts on the</sup>  
Cooperation of

state and local enforcement authorities, will target violent criminals and repeat offenders.

-- **Enhancing Prosecution:** The President proposed increased funds for the U.S. Attorneys Offices to support 1,600 new prosecutors and staff, and increased funds for the Justice Department Criminal Division to support 168 new positions, to handle drug cases, weapons offenses, and other priority matters.

-- **Expanding Prison Capacity:** The President proposed an additional \$1 billion for Federal prison construction, bringing the total FY 1990 budget to over \$1.5 billion. This will add 24,000 new Federal prison beds to the current 31,000 beds, an increase of nearly 80%.

-- **Anti-Drug Treaty:** The Vienna Convention on Illicit Drugs and Psychotropic Substances was strongly endorsed by the President and forwarded to the Congress for ratification. This is the most significant and far-reaching treaty on international cooperation on drug trafficking, chemical precursor control, and money laundering ever to be signed.

Each of the above proposals for increased funding to fight violent crime was incorporated into the appropriations bills for drug-related activities passed by the Congress at the close of the 1st Session and signed by the President on November 21.

President Bush, a <sup>life-long</sup> ~~long-time~~ environmentalist, has taken strong action to protect the environment. He believes that environmental protection, conservation, and wise management of

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our national resources must have a high priority on our national agenda.

ACTION BY THE ADMINISTRATION:

- that will take advantage of the power of the marketplace*
- o **Clean Air legislation:** On June 12, the President announced proposals to reduce emissions which cause acid rain, urban ozone and toxic air pollution. The proposals, the first major overhaul of the Clean Air Act to be proposed by an Administration in over a decade, call for a 10 <sup>M</sup> billion ton reduction in SO<sub>2</sub> emissions by the year 2000, a 2 million ton reduction in NO<sub>x</sub>, *from projected levels* a 40 percent reduction in emission of volatile organic compounds, and a reduction of 75 to 90 percent in air toxic emissions. [These reductions will also help curb any increase in global warming resulting from fossil fuel combustion.] The proposal also calls for the use of alternative fuels in one million vehicles by 1997. Alternative fuels, while reducing ozone precursors, will also reduce the toxic aromatics which come from conventional gasoline. The President submitted a comprehensive Clean Air bill to the Congress on July 21 embodying the proposals announced on June 12. *Earlier in the year, the ~~statutory~~ statutory level ~~corparable~~ average fuel economy parenthetical standard of ~~27.5~~ was reinstated to 27.5 m/gallon for the*
  - o **Natural Gas Decontrol:** On July 26, the President signed into law the Wellhead Decontrol Act of 1989, which ends all remaining price controls on natural gas.

*1990 model year cars*

- **Clean Coal Technologies:** The President proposed \$710 million in FY 1990 for the Clean Coal Technology program.
- **Clean water and coastlines:** On March 10, the Department of Justice and the EPA implemented a medical waste tracking program to track medical wastes to ensure proper disposal and prevent ocean pollution -- the first step in a comprehensive program to help keep our beaches clean. ~~The President is committed to end ocean dumping of sewage sludge by 1991.~~
- *Ocean dumping: insert P (attached)*
- **Cleaning up hazardous wastes:** On March 10, The President announced he will be seeking new legislation to amend the Resource Conservation and Recovery Act in order to give the United States Government authority to ban all exports of hazardous waste unless an agreement exists with the receiving country providing for the safe handling and management of those wastes.
- ~~[[Alaskan oil spill: A Cabinet-level team was sent to assess the Alaskan oil spill, and a joint federal-state resource recovery team was convened. The National Transportation Safety Board is investigating the accident. Exxon has accepted responsibility for paying for the clean up, and for~~  
*The President sent*  
 the responsibility <sup>of</sup> for paying for the clean up, and for

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Insert P  
New Paragraph

"To meet the President's commitment to end ocean dumping, the EPA negotiated agreements with the states to stop dumping of sewage sludge by the end of 1991. This initiative also resulted in civil judicial or administrative penalty actions against 61 cities in 1989."

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~~Insert~~

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✓

employing local civilian personnel necessary to control further damage.

The Departments of Transportation and Interior, as well as the EPA, are coordinating the long-range planning to restore the environment of Prince William Sound, and the President has ordered a review of existing contingency plans for accidents such as this.

The President also proposed, and the Paris Summit leaders accepted, a call for increased international efforts on oil spill prevention and clean-up. ~~X~~

- ~~X~~ **Oil Spill Legislation:** On May 11, the Administration transmitted to Congress comprehensive oil pollution liability and compensation legislation that broadens and strengthens our existing patchwork of laws. The bill provides swift and assured compensation for clean up costs and damages through a liability system based on strict financial responsibility requirements for shipowners backed up by an oil-industry financed fund. ~~X~~
  
- **Offshore Oil Drilling:** The President postponed lease sales and offshore oil and gas development in environmentally sensitive areas off the coasts of California and Florida. The President set up a task force to examine the issues and report back to him in January of 1990.

The Administration has substantially increased spending for waste cleanup at Department of Energy facilities.

Department of Energy Facilities <sup>29</sup> Cleanup:

o [[Also, Secretary of Energy Watkins has put forth a plan of action to identify and prioritize clean up of ~~defense and civilian radioactive waste~~ <sup>projects while meeting</sup>; meet the Nation's security needs; and <sup>ensuring compliance</sup> comply with environmental safety and health laws.]]

o **Superfund:** The President's budget proposed ~~\$315 million~~ <sup>1.75 billion</sup> to pursue an aggressive cleanup schedule of toxic waste sites; the Administration has opposed Congressional efforts to cut the Superfund budget to ~~\$150 million~~ <sup>1.5 billion</sup>. On June 14, EPA Administrator Reilly, following the President's direction, concluded a Management Review of the Superfund Program. <sup>To implement</sup> The ~~agency has decided to add five hundred people to the~~ <sup>reforms, EPA was given an additional</sup> ~~enforcement staff~~ <sup>is adding</sup> ~~to ensure that sites are cleaned up.~~ <sup>take aggressive action and</sup>

o **Global Climate Issues:** Through its ~~position as~~ <sup>SHIP</sup> chairman of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC), the U.S. has called for initial discussions ~~potentially leading~~ <sup>framework</sup> toward a convention on global climate change. Also, the President ~~proposed an increase in~~ <sup>in</sup> global environmental research for FY 1990 ~~of 43 percent, or over \$190 million.~~ <sup>by 21 to 628</sup>

In addition, the Clean Air Act initiatives and ~~Clean Coal Technology Program~~ <sup>be important in helping to</sup> will play a significant role in controlling greenhouse gas emissions. The President called for a worldwide phaseout of ozone-depleting

The President endorsed NASA's Mission to Planet Earth as an <sup>key</sup> ~~important~~ element to this research effort to ensure that critical global data sets are established.



Rec summary  
Damon/EPA

o A [[Also, Secretary of Energy Watkins has put forth a plan of action to identify and prioritize clean up of ~~defense and civilian radioactive waste~~ <sup>PROJECTS, WHILE MEETING</sup>; meet the Nation's security needs; and <sup>ENSURING COMPLIANCE</sup> ~~comply~~ with environmental safety and health laws.]]

Prody 4844

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Prody 4844

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and active participants of the science and impacts working groups

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Prody 4844

In addition, the Clean Air Act initiatives and ~~Clean Coal Technology Program~~ will play a significant role in

controlling greenhouse gas emissions. <sup>The Clean Air Act contains a cap on SO<sub>2</sub></sup> The President called ~~for a worldwide phaseout of ozone-depleting~~ <sup>emissions which provides a powerful incentive for conservation. The President's action to increase Corporate Average Fuel Economy (CAFE) standards to 27.5 miles per gallon will have significant global warming benefits.</sup>

The President also endorsed NASA's Mission to Planet Earth as an important element to this research effort to ensure that important global data sets are established.

o insert Q

30

chlorofluorocarbons by the year 2000, if safe substitutes are available. *In addition, the U.S. has instituted a unilateral ? on CFC production to further discourage CFC emissions.*

- o **Wetlands, National Parks, and Reforestation:** The President is also committed to a national goal of "no net loss" of wetlands~~x~~ and an interagency task force has been convened to develop recommendations to achieve that goal.

He ~~has proposed~~ <sup>included</sup> \$206 million in new money <sup>in the FY 1990 budget</sup> to expand and improve America's parks and wildlife refuges, preserving them for generations to come. *Congress accepted this proposal.*

Finally, the President supports increased lending by the development banks for reforestation programs and the implementation of the Tropical Forest Action Plan. He also endorsed the call by the Paris Economic Summit for an end to world deforestation.

- o **Asbestos Ban:** On July 7, EPA announced an almost total phase-out of nearly all uses of asbestos by 1997. The ban will prohibit importation, manufacture, and processing of asbestos, a carcinogen linked to lung cancer and mesothelioma (lung and chest cancer).
- o **Improved Forecasting:** The Commerce Department announced that beginning in Fiscal Year 1990, the National Weather Service will modernize and restructure its operations to provide improved forecasting and weather warning systems. The new

Bosher

In addition, the U.S. has instituted a unilateral  
 ? on CFC production to further discourage CFC emissions.

- Insert Q
- o **Stratospheric Ozone Depletion:** The President called for a worldwide phaseout of ozone-depleting CFCs and halons by the year 2000 with ~~possible waivers only for those uses (e.g., medical applications) where no safe substitutes are available.~~ <sup>if safe</sup> The Administration is also seeking to broaden the Montreal Protocol, the international agreement on ozone-depleting substances.
  - o **Global Warming:** ~~The CFC and halon phaseout called for by the President will eliminate fully 15 percent of total U.S. greenhouse emissions by the year 2000.~~ <sup>gas</sup> The President's Clean Air initiative also will play a significant role in controlling greenhouse gas emissions. Through its position as chairman of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change, the United States has played a leading role in the evaluation of global warming impacts and possible policy measures. This process is laying the groundwork for a possible international convention on climate change.

system will include advanced weather radar, observation automation, and a new communications system.

- **Ban on African Elephant Ivory:** On June 5, the Administration announced an ~~importation~~ <sup>on imports</sup> ban of African elephant ivory into the United States, making importation from any country illegal. The ban covers both commercial and non-commercial shipments. *Since announcement of the ban, world trade in ivory has fallen sharply.*
- **Driftnet Fishing Agreements:** The Administration successfully persuaded Japan, Taiwan, and Korea to enter into driftnet fishing agreements to monitor driftnet practices and enforce laws prohibiting the taking of U.S. origin salmon.

#### EXPLORING SPACE

*insert R*

The President has made a commitment to the continued exploration of space, and has proposed the deployment of Space Station Freedom, the establishment of a permanent presence on the Moon, and a manned mission to Mars.

#### ACTION BY THE ADMINISTRATION:

- On April 20, The President demonstrated the importance he attaches to the development of space exploration by signing

*ment R*

Substitute for "Exploring Space" section pp 31, 32:

Space

*P 9*

The President has committed this nation to an aggressive program to explore and use space in support of our national well being. U.S. leadership in space continues to be a fundamental objective guiding U.S. space activities. During the past year, the U.S. space program has returned an improved Space Shuttle Fleet to flight operations and successfully completed five demanding missions. In the space science area, a major revival of the planetary exploration program has included launches of unmanned missions to Venus and Jupiter in May and October, and the August encounter of the planet Neptune by the Voyager 2 spacecraft.

ACTION BY THE ADMINISTRATION:

- new bullet*
- o On April 20, the President demonstrated the importance he attaches to the U.S. space program by signing an Executive Order establishing the National Space Council. President Bush named Vice President Quayle Chairman of the Council which is charged with bringing "coherence, continuity, and commitment to our efforts to explore, study, and develop space."
  - o On July 20, the President announced a three-pronged program for the manned exploration of outer space. In the 1990's, the U.S. will construct the permanently manned orbiting space station, Freedom. Next, we will return to the Moon, this time to stay; *and then* we will journey to the planet Mars. The National Space Council is studying resource requirements and the feasibility of international cooperation in the President's human exploration initiative. *For the future a*
  - o On November 2, the President approved a new national space policy updating and reaffirming U.S. goals and activities in space. Areas affected include space exploration, remote sensing, space transportation, space debris, commercial space activities, and Space Station Freedom.

an Executive Order establishing the National Space Council. President Bush named Vice President Quayle Chairman of the Council, which is charged with bringing "coherence and continuity and commitment to our efforts to explore, study and develop space.

-- The President tasked the Council with developing "concrete recommendations to chart a new and continuing course to the Moon and Mars and beyond." Under the leadership of the Vice President, the Council is currently developing an options package for the President.

-- The President ensured the adequate funding for space activities and obtained a <sup>12</sup>14 percent increase for NASA programs. The President also secured a <sup>merely</sup>100 percent increase in the NASA budget for Space Station Freedom.

~~SECRET~~

WORKING FOR A KINDER, GENTLER AMERICAAFFORDABLE HOUSING

The President is committed to bringing basic shelter and affordable housing within reach of millions of Americans. His HOPE initiative addresses the full range of housing concerns: shelter for the homeless, affordable housing for low-income families, open access to expanded job opportunities, and help for first-time home buyers.

ACTION BY THE ADMINISTRATION:

- o On November 10, the President unveiled HOPE, a comprehensive agenda of Homeownership and Opportunity for People Everywhere. Major elements include:
  - **First-time home buyers:** The President will ask Congress to enact legislation allowing first-time buyers to draw, without penalty, on IRA savings as a downpayment for their first home.
  - **Low-income housing:** The President called on Congress to renew the Low-Income Housing Tax Credit as part of a package that also includes a <sup>reduction</sup> cut in the capital gains tax. He has also called on Congress to create <sup>up to</sup> at least 50 Enterprise Zones over the next four years, using labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed

communities. In the hardest-hit urban areas, he has called for an <sup>complete</sup> elimination of the capital gains tax <sup>on</sup> <sup>certain investments in enterprise zone businesses.</sup> ~~altogether.~~ President Bush also supports housing vouchers that empower low-income families to choose where they want to live; and resident ownership and resident management of low income housing ~~areas.~~

-- **FHA reforms:** The Administration has announced major reforms to ensure that FHA is true to its primary mission of making housing affordable for low and moderate income families. The President has asked HUD Secretary Jack Kemp to convene a Blue Ribbon Commission to identify barriers to affordable housing, and to make recommendations on how these barriers can be removed.

-- **Homelessness:** On November 9, the ~~President~~ signed a bill that substantially increased funding <sup>for housing programs</sup> under the McKinney Homeless Assistance Act. <sup>As part of the HOPE initiative,</sup> The President has <sup>will</sup> requested <sup>236</sup> \$50 million for an initiative to reduce homelessness through public-private partnerships.

<sup>The President charged</sup> Secretary Kemp ~~has been charged~~ with finding new ways <sup>to</sup> put <sup>make</sup> a portion of FHA foreclosures into the hands of non-profit groups <sup>to help reduce homelessness</sup> that ~~work with housing rehabilitation~~ to fight inner city poverty.

CHILD CARE

- move to next page

The President requested full funding of the McKinney Homeless Assistance Act, and,

Among the chronically mentally ill and recovering substance abusers

*that suits both children's needs and families' circumstances.*

35

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

ACTION BY THE ADMINISTRATION:

- o **Child care:** The President transmitted to Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which:
  - Provides a new refundable child care tax credit of up to \$1000 per child under age four, for low income working families.
  - Makes the existing Child and Dependent Care Tax Credit refundable.
  - Does not discriminate against religious- or family- based child care, or *against two-parent families in which* a parent who ~~chooses not to work~~ *in* outside the home *caring for the children.*
- o ~~[[The President has directed Secretary of Labor Dole to examine the role played by liability insurance in employer decisions determine whether the barriers to securing liability on employer - provided child care. insurance impair employer-provided child care.]]~~  
*Challenged Congress to*  
*Challenged proposed*
- o **Head Start:** The President also transmitted ~~legislation to Congress that would allow a \$250 million increase in~~ *increase funding for Head Start* ~~Head Start~~ *and to increase funding by* ~~Head Start~~ *in FY 1990.*

*expansion - enable up to*  
~~start appropriation. This will pay for enrollment~~ of up to  
 95,000 more four-year-olds *to participate* in the program, *50,000 more*  
*than under the proposed Congressional appropriation.*

### AIDS INITIATIVES

The President has made combatting AIDS a national priority. The Administration is moving on a number of fronts to combat the spread of AIDS.

#### ACTION BY THE ADMINISTRATION:

- insert 5*
- ~~[[**AIDS Clinical Trials Information Service:** The Administration developed a computerized listing through which AIDS patients and their doctors can get up-to-date information on clinical trials of AIDS drugs and vaccines -- whether federally or privately sponsored.]]~~
  - ~~**Experimental AIDS Drugs:** Through the promotion of wider availability of experimental and therapeutic drugs such as AZT, the President has demonstrated his commitment to the eradication of the HIV virus and AIDS.~~
  - ~~[[**AIDS Prevention Guide:** The Administration joined the National Parent Teachers Association in announcing the distribution of 500,000 copies of the "AIDS Prevention Guide" for use by parents and teachers nationwide.]]~~

[INSERT] FOR 36/37

### HIV/AIDS INITIATIVES

The Administration is moving on a number of fronts to combat the spread of HIV infection, which causes AIDS.

#### ACTION BY THE ADMINISTRATION:

- **AIDS Clinical Trials Information Service:** The Administration developed a toll-free information service through which AIDS patients and their doctors can get up-to-date information on clinical trials of AIDS therapies -- whether Federally or privately sponsored.
- **New Drugs Approved:** The Administration approved three new therapies for treating persons infected with HIV, which for the first time gives doctors approved treatments to use with HIV-infected people before they become sick with AIDS.
- **Additional Clinical Trials:** The Administration initiated clinical trials for 38 promising new therapies for HIV-infected individuals.
- **Experimental Drugs:** The Administration allowed an expansion in the availability of experimental therapeutic drugs used to treat people with AIDS and HIV infection.
- **Wider Use of Existing Treatment:** The Administration announced in August that AZT, the only drug currently approved for treating persons with AIDS, has proven to help HIV-infected persons who have not yet developed AIDS.
- **AIDS Prevention Guide:** The Administration worked with the National Parent Teachers Association to develop and distribute 500,000 copies of the "AIDS Prevention Guide" for use by parents and teachers nationwide.

*Insert*

11/25/89

- ~~[[ \$5 Million Transferred to States -- AIDS Treatment: The Administration transferred \$5 million from currently appropriated AIDS funds to assist needy individuals in the purchase of treatment drugs for AIDS and related conditions.]]~~

#### ADOPTION

The President is committed to promoting adoption, especially of special needs children.

#### ACTION BY THE ADMINISTRATION:

- **Legislation:** In September, the President sent two legislative proposals to Congress designed to encourage adoption of special needs children:
  - The first permits adoptive parents to deduct \$3000 ~~from taxable income~~ for adoption-related expenses.
  - The second reimburses Federal employees who adopt up to \$2000 for expenses.
- In addition, the President has directed all Federal agencies to develop plans for supporting and promoting adoption of special needs children (e.g., flexible leave.)

#### NATIONAL SERVICE

The President's vision to help overcome the disintegration of communities and build a better America -- not through a

federal government program, but through a nationwide ~~service~~ <sup>COMMUNITY</sup> movement -- has three facets: First, to issue a call to all individuals and institutions to claim society's problems as their own; second, to identify, enlarge, and ~~replicate~~ <sup>multiply</sup> what is working; and third, to discover and encourage new leaders.

ACTION BY THE ADMINISTRATION:

- In a series of speeches, President Bush called on all Americans and all American institutions, large and small, to make <sup>Community</sup> service of central ~~value~~ <sup>to</sup> in their daily life and work.
- The President announced the formation of a foundation called the **Points of Light Initiative**, of which he will serve as Honorary Chairman, and Gov. ~~Thomas Kean as Chairman.~~ <sup>Stan</sup> Formed to identify and build upon what is working, the Foundation will act as a magnet for the best ideas and brightest programs in community service and then serve as a catalyst to project these ideas into every corner of the nation. The Administration will ask Congress for \$25 million annually to support this initiative, <sup>and</sup> which will, in turn, seek matching funds from the private sector. The President has ~~also~~ encouraged all communities nationwide to join the movement by forming local "Points of Light Action Groups" composed of outstanding leaders.

- Through a Foundation initiative called the **ServNet Project**, professional firms, corporations, unions, schools, religious, civic and not-for-profit groups will be asked to donate the services of some of their most talented and promising people for a period of time. Peer-to-peer working groups will be formed to implement examples of successful initiatives and provide training, technical assistance and other support to enable other institutions to devise similar initiatives.
- Another Foundation initiative, the **ServLink Project**, will help improve existing methods of matching would-be volunteers with purposeful service opportunities. ServLink will stimulate the development, through private sector resources, of "technology links" like telephone hotlines, interactive computer programs, electronic bulletin boards and other mechanisms between those who wish to serve and those needing service in the inquirer's own community.
- The President has named a Presidential Commission to advise him on the legal structure <sup>of</sup> for the Points of Light <sup>Initiative</sup> Foundation. <sup>and the legislation needed to accomplish the Foundation's goals.</sup> The Commission is scheduled to <sup>in early December.</sup> report to the President on ~~[date]~~.
- The Foundation will also discover and encourage <sup>and develop</sup> new <sup>in the field of community service</sup> leaders <sub>A</sub> by sponsoring workshops, forums, and symposia on community service leadership development, and by

recognizing new leaders through at least two new Presidential Awards:

- The National Service Youth Leadership Awards will be given each year to individuals.
- The President's Build A Community Awards will honor those people and institutions who have worked together to rebuild families or to revitalize communities.

#### CIVIL RIGHTS

The Bush Administration is committed to reaching out to minorities, and to striking down barriers to free and open access. The President has made it clear that this Administration will not tolerate discrimination, bigotry, or bias of any kind.

#### ACTION BY THE ADMINISTRATION:

- o **Civil rights:** The Administration has taken a number of actions to protect the civil rights of all Americans, including several court actions in key civil rights cases.
- ~~X~~-- The President ~~has~~ called upon Congress to reauthorize the Commission on Civil Rights. *Following Congressional action, the President signed legislation reauthorizing the Commission*
- The Administration endorsed the Hate Crimes Bill, which provides for the collection of data about crimes motivated by race, religion, or ethnicity.

*through 1996*

- On March 13, Attorney General Thornburgh announced the filing of Federal housing discrimination lawsuits seeking monetary damages and civil penalties under the expanded enforcement authority of the Fair Housing Amendments Act of 1988.]]
  
- o **Disabled Americans:** The President is committed to legislation that would extend civil rights protections to disabled Americans. This legislation, called the **Americans with Disabilities Act**, would represent the most significant expansion of federal civil rights laws in the past two decades. *Aversion of* The Act passed the Senate on September 7, and has been awaiting *consideration* passage in the House since then.
  - The legislation would provide unprecedented protections against discrimination in the area of employment, requiring reasonable accommodation be made by employers for disabled potential employees.
  - Most new buildings would be required to be accessible to the disabled.
  - Stores, providers of services, restaurants, and other public accommodations, *in existing buildings* would be required to serve disabled Americans to the same extent they serve able Americans.
  
- o **Whistleblower protection:** On April 10, the President signed S. 20, the **Whistleblower Protection Act of 1989**. This law

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*Access by disabled Americans to*  
-- *in existing buildings* Stores, providers of services, restaurants, and other public accommodations, would be required to serve disabled Americans to the same extent they serve able Americans.

*unless providing access is not readily achievable. Services and aids provided to assist disabled Americans in acquiring goods and services would be required to be provided by the business unless such provision would unduly burden the business.*

o **Whistleblower protection:** On April 10, the President signed S. 20, the Whistleblower Protection Act of 1989. This law

*Holm*

*recall to C. Boyden Gray*

will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.

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

#### WELFARE REFORM

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

#### ACTION BY THE ADMINISTRATION:

- o <sup>Final</sup> Welfare reform: The Administration issued <sup>Job Opportunities and Basic Skills Training Program (JOBS)</sup> proposed rules on <sup>October 13</sup> ~~April 18~~ to implement the ~~major provisions~~ of the Family Support Act of 1988. The ~~proposed~~ rules are designed to:

*Assist welfare recipients to become self-sufficient by providing needed employment-related activities and support services.*

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- **Target job training assistance** to those who are most likely to benefit and who are most at risk for long-term welfare dependency.
  - Provide **maximum level of flexibility** to AFDC parents in obtaining the type of **child care** that best suits their needs, consistent with the <sup>*principle of parental choice embodied in the*</sup> Administration's legislative proposals on child care.
  - The Administration is proposing to spend \$3.6 billion over the next five years implementing the **JOBS Program**. The changes will pay benefits in the future by reducing the number of individuals on welfare. It is estimated that <sup>*there will be fewer*</sup> 138,000 ~~families will be able to leave welfare~~ <sup>*on the*</sup> rolls over five years as a result of this program. ~~XX~~
- o **Low Income Opportunity Board:** To continue progress in the area of welfare reform, the President reinstated this welfare policy coordinating unit established under President Reagan as the Interagency Low Income Opportunity Advisory Board. The Board enhances interagency coordination of Executive Branch activities designed to <sup>*+*</sup> lift low-income Americans up from dependency, and assists States that seek to demonstrate more effective approaches for using Federal dollars to serve the low-income population.

EXPANSION OF MEDICAID

The President is committed to <sup>ensuring quality</sup> health care for disadvantaged mothers and children, the disabled, and poor, aged Americans. <sup>To help achieve this goal, federal</sup> ~~and~~ <sup>be</sup> has called for full funding of Medicaid. This will mean \$39.1 billion for FY 1990, an increase of \$4.8 billion, or 12.2 percent over the FY 1989 level.

*Spending on Medicaid*

ACTION BY THE ADMINISTRATION:

- o **Expanding Medicaid:** President Bush has taken concrete steps toward improving health care for at-risk populations and decreasing infant mortality. This year, he asked Congress to raise mandatory Medicaid eligibility for pregnant women, <sup>and children</sup> ~~and~~ infants, to 130 percent of the poverty level. In addition, he requested an expansion of Medicaid coverage of immunizations for all children under age 6 who are eligible for Food Stamps.

*Congress took action to raise the eligibility to 133% - consistent with the President's proposal.*

ETHICS

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

Action By The Administration

- o ETHICS Law Reform: insert #2, #3

*insert #1*

Gray

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44

Revised Lead-in Language on Ethics/Campaign Finance for the Main Document on Bush Administration Achievements:

~~The President~~ <sup>Bush</sup> is committed to high ethical standards for his Administration and will enforce these standards strictly, comprehensively, and fairly. ~~The Administration also remains committed to an overhaul of the existing campaign finance system.~~

Insert #1

stet

Revised Text on Ethics for the Main Document on Bush Administration Achievements:

o Ethics Reform: Numerous reforms proposed in President Bush's ethics legislation were enacted by Congress shortly before it adjourned sine die. The President sent his bill to the Congress in April, and simultaneously issued an ethics Executive Order establishing standards for the Executive Branch. The measures in the new legislation and the Executive Order include:

Insert #3

- Strengthened post-employment restrictions -- applicable for the first time to the Congress -- that protect against individuals abusing the revolving door for private gain.
- A ban on receipt of honoraria by all Federal employees for speeches and articles, and a cap on outside earned income for higher salaried non-career employees in all three branches. (As enacted, neither these limits nor the concomitant salary increase applies to Senators or Senate employees.) Full-time noncareer Presidential appointees in the Executive Branch are prohibited from receiving any outside earned income.
- Deferral of tax liability when individuals are required by the Office of Government Ethics to divest assets in order to avoid conflicts of interest. The President's Commission on Federal Ethics Law Reform endorsed this reform and identified divestiture as "the single most important device" to eliminate conflicts of interest.
- Establishment of consistent financial disclosure rules across the three branches of government.
- Creation of uniform conflict-of-interest rules for high-level House and Senate staff that prohibit contact with Executive Branch agencies about matters in which staff members have personal financial interests.
- Development of a single Executive-Branch-wide set of standards of conduct regulations.

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46

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(p. 46)

ETHICS:

Insert # 2

The President issued an Executive Order creating the President's Commission on Federal Ethics Law Reform, which submitted its recommendations ~~to the President~~ on March 9. Responding to the Commission's work, the President, on April 12, sent to Congress a sweeping ethics bill and simultaneously issued an Executive Order announcing ethical principles for the conduct of executive branch employees.

Recently, Congress, in consultation with the President, passed an ethics reform measure which included a pay raise for members of Congress and certain federal officers and employees. Many of the provisions of that package mirror the President's original proposals, ~~including~~

-- A ban on honoraria payments for House Representatives, staff, and all judges and federal employees beginning in 1991. The Senate is also phasing out honoraria over a longer time period in conjunction with COLA increases.

--A ban on affiliation or employment with a professional services firm (such as a law firm) for members and employees of the House, judges, and upper level noncareer federal employees.

--Expansion of current post-employment rules to include members of Congress and top congressional staff for the first time. These include:

--Lifetime lobbying ban on matters in which an employee was personally and substantially involved while in office.

--Two-year ban of those matters under an employee's official responsibility.

--One-year ban on lobbying at their former agencies, with some exceptions.

New lobbying bans will be added including:

--One-year ban on an employee representing or aiding anyone, based on confidential information, concerning a trade or treaty negotiation with which they had been involved.

--One-year ban on any employee aiding, advising, or representing any foreign government or foreign political party before any US agency.

ACTION BY THE ADMINISTRATION:*ethics insert # 2, 3*

- o **Campaign Finance Reform:** The President's comprehensive campaign finance reform proposal is designed to lessen the <sup>*undue*</sup> power of ~~special economic~~ <sup>*monied special*</sup> interests and <sup>*It also seeks to*</sup> restore real competition to American Congressional elections. The package ~~seeks to~~ enhance the role of individuals and the political parties in elections. Below are proposal highlights:
  - **Eliminating political action committees (PACs)** supported by corporations, unions, or trade associations, and prohibiting such entities from paying for the overhead or administrative costs of any independent PAC.
  - **Strengthening political parties by increasing the** <sup>*support they are permitted to provide*</sup> ~~amounts they can spend on behalf of congressional candidates.~~ <sup>*Heightened party involvement would enhance our political system, further neutralize the power and influence of monied special interests and permit candidates to spend less time fundraising and more time addressing the issues.*</sup> This source of funds would permit legislators to spend less time fundraising, would ensure that challengers have greater resources with which to challenge incumbents, and would further limit the role of special economic interests in elections.
  - Addressing the problem of the "permanent Congress" by reforms designed to reduce the <sup>*unfair*</sup> unwarranted advantages of incumbency. Specifically, the proposals would

- ~~prohibit the personal use of excess campaign funds,~~  
 drastically reduce Congressional mailings under the  
 frank, ban the rollover of campaign funds from one  
 election cycle to the next, and legislate fair neutral  
 criteria for the redistricting of Congressional and  
 legislative lines that will follow the 1990 census.
- <sup>Requiring</sup> Fully disclosing <sup>use of</sup> all soft money spent by the political  
 parties and all labor unions, corporations, and trade  
 associations to influence a federal election.]]

- o [[Ethics: The President issued an Executive Order creating  
 the President's Commission on Federal Ethics Law Reform,  
 which submitted its recommendations to the President on  
 March 9. Responding to the Commission's work, the  
 President, on April 12, sent to Congress a sweeping ethics  
 bill and simultaneously issued an Executive Order announcing  
 ethical principles for the conduct of executive branch  
 employees. The President's proposals include:
- Expanded financial disclosure for all three branches of  
 government.
- Deferral of tax liability when an individual is  
 required by his or her agency to divest assets in order  
 to avoid conflicts of interest.
- Strengthened rules against abusing the revolving door  
 for private gain at the expense of the public trust.

These rules would also apply for the first time to the legislative branch.

- **A 25 percent pay raise for federal judges** was proposed in the legislation submitted April 12. On July 7, the President submitted separate legislation calling for pay increases for certain specialized professionals and other senior officials in the executive branch.
- **Congressional Honoraria Ban:** On July 7, the President also sent to Congress legislation that calls for the elimination of Congressional honoraria by 1991, making the next Congress honoraria-free. This proposal is linked to the enactment by Congress of a pay increase for its Members, and the President will work with Congress toward this end.
- The extension of the federal statute that prohibits employees from taking actions that enhance their own financial interest to cover legislative and judicial branch employees (but not Members of Congress).
- The extension of the **Independent Counsel statute** to cover the Congress and the creation of an independent, non-partisan Congressional Ethics Office.
- **A ban on outside earned income** for full-time non-career Presidential appointees in the executive branch, including non-career employees in the immediate White House Office.]]