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WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/21/89 **ACTION/CONCURRENCE/COMMENT DUE BY:** 11/22/89 4:00 PM

SUBJECT: BUILDING A BETTER AMERICA: ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION, SUMMARY AND MAIN DOCUMENT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE	☑	☐
SUNUNU	☐	☑	NEWMAN	☐	☐
SCOWCROFT	☑	☐	PORTER	☑	☐
DARMAN	☑	☐	ROGICH	☑	☐
BATES	☑	☐	UNTERMEYER	☐	☐
CARD	☐	☑	ROGERS	☐	☑
CICCONI	☐	☑	WINSTON	☐	☑
DEMAREST	☑	☐	PINKERTON	☑	☐
FITZWATER	☐	☑	PETERSMEYER	☑	☐
GRAY	☑	☐	DELAND	☑	☐
HAGIN	☐	☐	BOSKIN	☑	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Wednesday, November 22, with a copy to my office. Thank you.

Please pay particular attention to the material in brackets.

RESPONSE:

TO: CHRISS WINSTON November 29, 1989

NSC clears, with changes as indicated. NSC would appreciate additional opportunity to review and edit this before publication.

Brent Scowcroft

cc: James W. Cicconi

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

Grant
Draft three
November 21, 1989

NOV 21 PM 4:35

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.

- **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.

- **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~~ placed its comprehensive agricultural proposals ~~for~~ before 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.

- **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.

Scowcroft

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~~ the resurgence of the ideals of political and economic freedom has 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~~ cause of freedom.

ACTION BY THE ADMINISTRATION:

- **A Resurgence of Democracy:** The ~~Administration~~ President 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 he set forth his vision of a Europe "whole and free" during his visit to Mainz, Germany. Throughout the year, the President has

In the Western hemisphere, the President strongly ~~encouraged~~ supported the expansion 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 express 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.

continuously promoted the idea of freedom through his speeches, two State visits to Europe, his visit to Costa Rica 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 in May, 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 encouraged each step and signaled its strong support. ~~every step of the way~~. The President has also encouraged more recent movement towards change in East Germany, Bulgaria and Czechoslovakia. 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. All elements of the President's package were adopted by Congress and became the framework for the Support for East European Democracy Act.

- **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~~ asked 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 of experts, headed by Agriculture Secretary Yeutter, to discuss with the Polish Government its economic plans and evaluate its needs. This mission also included Secretaries Dole and Mosbacher, and Michael Boskin, Chairman of the Council of Economic Advisors, along with business and labor leaders. It ~~will~~ made 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.

- **Hungary:** The President has asked Congress to authorize a $25 million Enterprise 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.

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- **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.

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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.

--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~~ will facilitate on verification issues ~~to further~~ early agreement on strategic arms reductions.

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

② The President also proposed 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 ~~signals~~ makes clear 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

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.~~ In October, the President attended a meeting of hemispheric leaders in San Jose, Costa Rica, which celebrated 100 years of Costa Rican democracy, stressed the importance of democracy to this Hemisphere, and confirmed Nicaragua's isolation.

- **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~~ is actively supporting the efforts of the Arab League and others to end the internecine warfare ~~and slaughter of innocents~~ and to bring peace ~~to~~ to Lebanon.

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

- **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 our ~~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:

- **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:

- 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; 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:

- **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 SO2 emissions by the year 2000, a 2 million ton reduction in NOx, 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.

- **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.]]

- [[**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.]]

- **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 AMERICA

AFFORDABLE 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:

- 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:

- **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.

- [[The President has directed Secretary of Labor Dole to determine whether the barriers to securing liability insurance impair employer-provided child care.]]

- **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 though 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.]]

- [[**$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 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.

ACTION BY THE ADMINISTRATION:

- 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.

- 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.

-- 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

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 life 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:

- **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:

- [[**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.]]

# # #

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.

do we want to say anything about recent FMLN offensive

- **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

Action: B. Madigan

Document No. 092078SS

cc: MB, JT & RS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/21/89 ACTION/CONCURRENCE/COMMENT DUE BY: 11/22/89 4:00 PM

SUBJECT: BUILDING A BETTER AMERICA: ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION, SUMMARY AND MAIN DOCUMENT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE	☑	☐
SUNUNU	☐	☑	NEWMAN	☐	☐
SCOWCROFT	☑	☐	PORTER	☑	☐
DARMAN	☑	☐	ROGICH	☑	☐
BATES	☑	☐	UNTERMEYER	☐	☐
CARD	☐	☑	ROGERS	☐	☑
CICCONI	☐	☑	WINSTON	☐	☑
DEMAREST	☑	☐	PINKERTON	☑	☐
FITZWATER	☐	☑	PETERSMEYER	☑	☐
GRAY	☑	☐	DELAND	☑	☐
HAGIN	☐	☐	BOSKIN	☑	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Wednesday, November 22, with a copy to my office. Thank you.

Please pay particular attention to the material in brackets.

RESPONSE:

Suggestions on:
Summary pp. 1, 2, 3, 4, 6, 8, 9, 12
Detailed document pp. 1, 2, 3, 4, 5, 26, 27, 28, 29, 43

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

Boskin

Grant
Draft three
November 21, 1989

1989 NOV 21 PM 4:35

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.

- **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.

- **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, as indicated by historically low unemployment rates for women and minorities. 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~~ 20 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~~ 4.5 percent and, in the last three months, the index has risen only ~~2.4~~ 2.6 percent at an annual rate.

SEE SUGGESTED ADDITION ON "Improved International Trade Position"

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

See suggested alternative

THESE SUGGESTIONS ARE INTENDED TO REFLECT THE BUDGET LEGISLATION PASSED ~~LAST NIGHT~~ IN THE CONGRESS AND TO PLACE LESS EMPHASIS ON THE SEQUESTER.

SUGGESTED ALTERNATIVE
Page 2 (Detailed Document)

- Implementing Fiscal Restraint: In view of the failure of the Congress to legislate the budget agreement reached last spring, the Administration in October implemented a sequester of funds under the Gramm-Rudman-Hollings law. More recently, the Administration and the Congress have reached agreement on a budget plan for FY 1990. ~~This plan meets the President's goal of hitting the Gramm-Rudman~~ 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 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~~ helps provide the homeless with temporary

shelter, ~~will~~ IS assist ING uninsured, needy families rebuild their homes, and ~~will~~ IS help ING ~~the state as well as counties and municipalities~~ governments in the affected areas 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**~~ In the Uruguay Round, the United States continues to be a leader in the pursuit of the original GATT goals of free and fair trade. The United States has proposed both a plan to strengthen existing GATT rules on trade-distorting subsidies, and initiatives to broaden the GATT to include comprehensive coverage of agriculture, intellectual property rights, and foreign investment.

~~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~~ resolving issues relating to 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.

- **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.

Boskin

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:

- **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.

- **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.

- **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.

- **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:

- **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.]]

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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:

- 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; 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:

- 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:

- **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 SO2 emissions by the year 2000, a 2 million ton reduction in NOx, 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.

- **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.]]

- [[**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.]]

- **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

We suggest splitting this into two bullets, as shown on the attached (pg 29-A)

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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 AMERICA

AFFORDABLE 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:

- 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:

- **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.

- [[The President has directed Secretary of Labor Dole to determine whether the barriers to securing liability insurance impair employer-provided child care.]]

- **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 though 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.]]

- [[**$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 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.

ACTION BY THE ADMINISTRATION:

- 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.

- 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.

-- 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

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:

- **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:

- [[**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:

NEEDS TO BE UPDATED

-- **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.]]

# # #

THE WHITE HOUSE
WASHINGTON

November 28, 1989

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS

FROM: JEFFREY R. HOLMSTEAD JRH
ASSISTANT COUNSEL TO THE PRESIDENT

SUBJECT: Building a Better America: Accomplishments of the Bush Administration

Counsel's Office has reviewed the attached draft of "Building a Better America: Accomplishments of the Bush Administration." Our comments and suggestions are reflected on the attached draft. Please note that, in light of recent events, we have attached three riders designed to replace the current sections on ethics reform.

Thank you for the opportunity to review this matter. If you have any questions, please do not hesitate to contact me (x7803).

cc: James W. Cicconi

89 OCT 28 P5:35

Document No. 092078SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/21/89 **ACTION/CONCURRENCE/COMMENT DUE BY:** 11/22/89 4:00 PM

SUBJECT: BUILDING A BETTER AMERICA: ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION, SUMMARY AND MAIN DOCUMENT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE	☑	☐
SUNUNU	☐	☑	NEWMAN	☐	☐
SCOWCROFT	☑	☐	PORTER	☑	☐
DARMAN	☑	☐	ROGICH	☑	☐
BATES	☑	☐	UNTERMEYER	☐	☐
CARD	☐	☑	ROGERS	☐	☑
CICCONI	☐	☑	WINSTON	☐	☑
DEMAREST	☑	☐	PINKERTON	☑	☐
FITZWATER	☐	☑	PETERSMEYER	☑	☐
GRAY	☑	☐	DELAND	☑	☐
HAGIN	☐	☐	BOSKIN	☑	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Wednesday, November 22, with a copy to my office. Thank you.

Please pay particular attention to the material in brackets.

RESPONSE:

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

Grant
Draft three
November 21, 1989

NOV 21 PM 4:35

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.

- **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.

- **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.

move to kinder, gentler America section

is designed to

- **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.

- **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.

Counsel

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:

- **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.

- **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.

- **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.

Add more about El Salvador?

- **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:

- **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:

- 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; 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:

- 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.~~ or drug-related

    In addition, the Attorney General has been directed to advise ~~America's~~ Federal 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:

that will take advantage of the power of the marketplace

- **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 SO2 emissions by the year 2000, a 2 million ton reduction in NOx, 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.

- **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.]]

- [[**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.]]

- **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 AMERICA

AFFORDABLE 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:

- 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:

- **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.

- [[The President has directed Secretary of Labor Dole to determine whether the barriers to securing liability insurance impair employer-provided child care.]]

- **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 though 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.]]

- [[**$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 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.

ACTION BY THE ADMINISTRATION:

- 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.

- 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.

-- 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

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 life 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:

- **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.

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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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