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Six Months of the Bush Administration 7/89 [1]

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 8/11/89 **ACTION/CONCURRENCE/COMMENT DUE BY:** 8/14/89 2:00 PM

SUBJECT: SIX MONTHS OF THE BUSH ADMINISTRATION (REVISED DRAFT)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE	☐	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☑	☐	PORTER	☑	☐
DARMAN	☑	☐	STUDDERT	☐	☐
BATES	☐	☐	UNTERMEYER	☐	☐
BREEDEN	☐	☐	WINSTON	☐	☑
CARD	☐	☐	_____	☐	☐
CICCONI	☐	☑	_____	☐	☐
DEMAREST	☐	☐	_____	☐	☐
FITZWATER	☐	☐	_____	☐	☐
GRAY	☐	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐

REMARKS:

This is a revised draft incorporating staff comments. Please review closely and forward any factual corrections to Chriss Winston, Rm. 122, x2930, no later than 2:00 PM Monday, August 14, with a copy to my office. Thank you.

PLEASE NOTE THAT THERE ARE TWO DOCUMENTS ATTACHED

RESPONSE:

August 14, 1989

CHRISS WINSTON:

The NSC concurs with changes as noted, but it really needs major work to be adequate

Brent Scowcroft

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

89 AUG 11 P 5: 22

((Grant))
August 8, 1989
Draft six
A:sixmonth

BUILDING A BETTER AMERICA

ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

SUMMARY

As the Bush Administration passes the six-month mark, the President has set the agenda on a number of fronts domestically -- from the environment and education to the fight against drugs and crime. The economy is strong, with the current economic expansion continuing to set new records and create new jobs. Meanwhile, America is standing tall in the international arena, after President Bush's leadership at two multilateral summits paved the way for greater understanding among the allies and improved relations with the Soviet Union and the Eastern Bloc nations.

KEEPING THE ECONOMY STRONG

- **Record expansion:** During the current economic expansion -- now in its 80th month as of July -- over 20 million jobs have been created and the unemployment rate has fallen to levels not seen in 15 years. Income levels have risen sharply and growth in industrial output is nearly double

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

- **Budget agreement:** The President has put forth a budget which restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes in fiscal year 1990. The President and Congress announced on April 14 a budget plan to reduce the estimated fiscal year 1990 deficit by about $64 billion below fiscal year 1989.

- **Savings and Loans:** On August 9, the President signed the **Financial Institution Reform, Recovery and Enforcement Act of 1989** to begin solving the savings and loan crisis. The President's plan calls for tough standards to help ensure such a crisis never happens again.

- **Third World debt:** The Administration has taken the lead in finding a way to reduce the debt burden and encourage economic growth in developing countries. At the Administration's urging, the IMF and World Bank have set aside funds to support debt reduction programs for developing countries.

- **Capital gains tax cut:** The President has sent to the Congress a proposal that would re-establish a capital gains differential to lower the cost of capital, create incentives

for investment, make American business more competitive and create new job opportunities.

- **Minimum wage:** The President, by vetoing the excessive across-the-board increase in the minimum wage proposed by Congress, preserved job opportunities for the disadvantaged and blunted the adverse economic impact such a move would have had.

- **International Trade:** The Bush Administration successfully broke a stalemate in the Uruguay Round of multilateral trade negotiations and advanced its proposal to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with important trading partners to encourage them to open their markets to our exports.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

- **"Europe Whole and Free":** In a series of major speeches, the President outlined a vision of a new Europe -- secure, prosperous, whole and free -- vindicating four decades of Western policies and seizing an historic opportunity to move toward ending the postwar division of Europe.

- **Poland and Hungary:** The President signalled his strong support for democratic change in Hungary and Poland by

Scowcroft

that require global cooperation, such as terrorism, the environment, and narcotics.

- **China:** ~~In response to the suppression of the democratic movement in China,~~ the President ~~signalled~~ while ing that we cannot condone repression ~~while he~~ worked to preserve the basic elements of a strategically important relationship.

- **Central American accord:** The President and Congressional leaders agreed on March 24 on a bipartisan strategy for peace and democracy in Central America.

- **Strengthening Our Strategic Deterrent:** After a thorough review of U.S. defense strategy, the President submitted to the Congress a defense budget that will modernize our ability to deter war.

INVESTING IN OUR FUTURE

- **Education:** The President proposed and sent to the Congress a comprehensive education package, **The Educational Excellence Act of 1989,** which includes seven initiatives -- on merit and magnet schools, alternative certification of teachers, excellence awards for teachers, emergency grants to help urban schools to fight drugs, increased funding for

endowments at Historically Black Colleges, and a National Science Scholars program. The Act has been reported to the Senate floor virtually intact.

- **Natural Gas Deregulation:** On July 26, the President signed into law the **Wellhead Decontrol Act of 1989**, which ends all remaining price controls on natural gas. This will phase out all federal price controls on natural gas by January 1, 1993.

- **Clean Air Act revisions:** On July 21, President Bush transmitted to the Congress the first revisions to the **Clean Air Act** since 1977. His legislation is designed to drastically reduce three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions.

- **Hazardous waste:** The President announced that he will seek new legislation to ban all exports of hazardous waste unless an agreement already exists with the receiving country to provide for its safe handling.

- **Ozone depletion:** In order to prevent further damage to the earth's protective ozone layer, the President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available.

- **Medical Waste:** The EPA has begun a tracking system for medical wastes and the Justice Department has started a task force to prosecute those who deliberately dump medical wastes into the Nation's waters -- 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.

- **Wetlands:** The President is committed to "no net loss of wetlands" and is directing his executive branch agencies, through an interagency task force, to make recommendations to achieve that goal. He has also proposed $206 million in his budget to expand parks and wildlife refuges.

- **Combatting Violent Crime:** President Bush transmitted to Congress **The Comprehensive Violent Crime Control Act of 1989** proposing measures to augment enforcement and prosecution, strengthen current law, control certain semi-automatic weapons, and expand prison capacity.

- **Fighting Drug Abuse:** The Administration is requesting $6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly $1 billion for drug education, treatment and enforcement. In September, the President will announce the Administration's new drug strategy and budget.

- **Drug-free Public Housing:** The Bush Administration is working to make public housing drug free, and to protect the rights of the vast majority of decent, law-abiding public housing residents.

- **D.C. Anti-Drug Efforts:** The Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia by expanding the Metropolitan Area Task Force, working for more prisons, and providing support in enforcement and local treatment efforts.

- **Space:** The President announced a three-step commitment to establish America's preeminence in space -- Space Station Freedom, a permanent presence on the Moon, and a manned mission to Mars -- for this and future generations.

- **Transportation:** The President directed the Secretary of Transportation to develop a national transportation policy to move America into the 21st century.

WORKING FOR A KINDER, GENTLER AMERICA

- **Child Care:** The President has transmitted to the Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which provides a new refundable child care tax

credit of up to $1000 per child under age four, for low and moderate income working families. This legislation will also make the existing Child and Dependent Care Tax Credit refundable, and does not discriminate against religious or family-based child care or a parent who chooses not to work outside the home.

- **Head Start:** The President has also transmitted legislation to Congress that would allow a $250 million increase in Head Start appropriations. This will pay for enrollment of up to 95,000 more four-year-olds in the program.

- **National Service:** The President is spearheading a movement to call all Americans to national service. He has announced the formation of a foundation known as the **Points of Light Initiative** to identify, enlarge and recreate those community service initiatives that are working and to discover and encourage new leaders.

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

- **Medicaid:** To address the all-too-high infant mortality rate, the Administration forwarded to Congress legislation to improve federal Medicaid assistance to pregnant women, infants and children.

- **Homelessness:** President Bush has called for full funding of the McKinney Homeless Assistance Act and for a new $50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.

- **Enterprise Zones:** President Bush asked Congress to enact labor and capital-based incentives -- through enterprise zones -- to create jobs and entrepreneurial activity in our most distressed communities.

- **Campaign Finance Reform:** On June 29, the President announced comprehensive campaign finance proposals designed to lessen the power of special economic interests and restore competition to American Congressional elections.

- **Civil Rights:** The President has called upon Congress to reauthorize the Commission on Civil Rights and has proposed additional funding for Historically Black Colleges and Universities (HBCUs). The Administration has endorsed the Hates Crimes Bill which provides for the collection of data

about crimes motivated by race, religion, or ethnicity. The Civil Rights Division of the Department of Justice has vigorously pursued the enforcement of the Fair Housing Amendments Act of 1988 which became effective in March.

- **Ethics:** President Bush sent his ethics reform legislation, **The Government-Wide Ethics Act**, to the Congress on April 12, and he issued an Executive Order announcing ethical principles for the conduct of executive branch employees.

- **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.

# # #

BUILDING A BETTER AMERICA

SIX MONTHS 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 80 months in July. August will mark the longest economic expansion in U.S. history, surpassing the World War II expansion of 80 months (from June 1938 - February 1945).

- **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. 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. Real median family income

set a new record in 1987, the last year for which data are available.

- **Industrial output:** During this expansion, American industrial output has grown almost 41 percent, nearly double Western Europe's growth rate in industrial output.

- **Higher national saving and investment:** During the first nine months of fiscal year 1989, the Federal Government budget deficit was less than during the same period in the previous fiscal year. Partly due to the discipline of Gramm-Rudman-Hollings, the Federal deficit has declined from 6.3 percent of GNP in fiscal year 1983 to an estimated 2.9 percent this fiscal year. The personal saving rate has risen to 5.4 percent. Business fixed investment as a percent of real GNP rose to 12.4 percent in the second quarter of 1989.

- **Inflation under control:** Consumer price inflation has remained under five percent for the past seven years, and the recent slowing in economic growth to a sustainable rate will lessen price pressures in the near future. The Administration and the Federal Reserve share the goal of achieving price stability.

ACTION BY THE ADMINISTRATION:

- **Presenting a budget:** The President put forth a budget that addresses our fundamental obligations for national security and support of the needy, while providing sufficient funds to advance high-priority initiatives. The President's budget restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes in Fiscal Year 1990.

- **Reaching a budget agreement with Congress:** The President and Congress announced on April 14 a budget plan to reduce the estimated Fiscal Year 1990 deficit by about $64 billion below Fiscal Year 1989. The plan called for reducing the deficit to $99.4 billion, meeting the targets set by the Gramm-Rudman-Hollings law. **This is the first budget agreement in recent years reached before the start of the budget year and not framed in the context of crisis.**

- **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 authorizes regulators to spend $166 billion over 10 years to eliminate ongoing losses of more than 500 insolvent savings institutions, and recover assets for taxpayers. This legislation abolishes the agency once responsible for thrift supervision, and creates a new agency that will operate as part of the Treasury Department. A new insurance fund, called SAIF, will protect deposits in thrift institutions with the guarantee of the full faith and credit of the United States. Penalties for wrongdoing by officers of insured institutions will be stiff, and criminal penalties will be added as well. Also, effective immediately, tougher requirements will be established for safe and sound operating practices in the thrift institutions.

- **Solution of 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. At the Administration's urging, the IMF and World Bank have agreed to support debt and debt service reduction in conjunction with their debtor programs

to promote investment, growth, and the return of flight capital to these countries. The recent agreement between Mexico and commercial banks with its emphasis on debt and debt service reduction attests to the viability of the Administration's plan for resolving the LDC (less developed countries) debt problem and should lead to similar agreements with other heavily-indebted countries.

- **Capital gains tax rate cut:** A lower tax rate for long-term capital gains is a key element of President Bush's economic program. It will reduce the cost of capital in the United States, create incentives for investment and increase job opportunities for Americans. The President's proposal, which has been sent to Congress, includes:
  - -- A 45 percent capital gains exclusion for qualified capital gains, or a 15 percent maximum capital gains tax rate at the taxpayer's option.
  - -- A phased-in increase in the qualifying holding period from one year to three years.
  - -- An exemption from the capital gains tax for families earning under $20,000.

- **Minimum wage proposal:** The President believes in keeping job opportunities available for youth and for those seeking to enter the economic mainstream. The excessive across-the-board increase in the minimum wage which was proposed by

Congress would have had an adverse economic impact and cut job opportunities drastically. Accordingly, the President vetoed the bill, passed by Congress. The veto was later sustained.

- **International Trade:** The Administration is forcefully promoting the opening of world markets. 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 important trading partners to encourage them to open their markets to our exports. Together these efforts should greatly expand opportunities for U.S. exports.

- **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 (VRA's) 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 additional advance deficiency payments of 10 percent available to producers of wheat, feed grains, rice and upland cotton. In addition, a top-level Working Group on

Rural Development was established by the President to focus on an action-oriented agenda.

- **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 ~~technical~~ economic competitiveness.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

President Bush is committed to maintaining a strong American role in world leadership and sees in present global trends an unprecedented opportunity for strengthening both world peace and the cause of freedom.

ACTION BY THE ADMINISTRATION:

- **"Europe Whole and Free":** In a series of major speeches, the President outlined a vision of a new Europe -- secure, prosperous, whole and free -- vindicating four decades of Western policies and seizing historic opportunities to move toward ending the postwar division of Europe.

-- **Western Europe:** As the European Community heads toward a single market in 1992 and develops its political institutions and a more coordinated approach to foreign policy, the President welcomed these developments and proposed new mechanisms for consultation with the EC Commission and member states. Seeing the resurgence of Western Europe as a triumph of Western values and principles, the President welcomed its success, confident that a mature partnership will serve mutual interests.

-- **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 restore Alliance unity and confidence and define the Alliance's future agenda. The Alliance also reaffirmed the importance of a strong and modern nuclear deterrent.

-- **Eastern Europe:** As Poland and Hungary take unprecedented steps toward pluralism, democracy, and market economic policies, the United States has signalled its strong support. These steps provide an opportunity not only for a democratic transition in these countries, but also for a broader process of European reconciliation. Offering political and moral support as well as economic assistance, the President proposed ~~two~~ several major new initiatives for Poland and Hungary in response to continued reform.

-- **Poland:** Following up on the program the President announced earlier this year in Hamtramck, Michigan, he called for action to declare Poland a beneficiary country under the U.S. Generalized System of Preferences. The Overseas Private Investment Corporation will be authorized to operate in Poland, and the US is proposing a private business agreement that will promote contacts between the private sectors of both countries. The President will ask Congress to provide a $100 million fund to help capitalize and invigorate the Polish private sector and encourage the World Bank to move ahead with new loans to help Polish agriculture and industry. He has encouraged other members of the Paris Club to agree to an expeditious rescheduling of Polish debt. Finally, he will ask Congress for $15 million in a cooperative venture with Poland to help fight air and water pollution in Krakow.

check spelling usually Cracow

-- **Hungary:** The President will ask Congress to authorize a $25 million fund as a source of new capital to invigorate the Hungarian private sector. As soon as new emigration legislation has passed the Hungarian Parliament, the President will inform Congress that Hungary is in full compliance with the restrictions of the Jackson-Vanik Amendments of the 1974 Trade Act. This will make Hungary eligible for 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 -- the first time in a European country.

-- **The Economic Summit in Paris:** The mission of the President's historic visit to Poland and Hungary and his successful effort at the Paris Economic Summit was to promote concerted actions among the industrial democracies in the economic and political arenas. The industrial democracies demonstrated their unity, as they dealt with a variety of issues on the international economic agenda, as well as the problem of drugs and the environment.

o **"Beyond Containment":** Seeing an historic process of change in the Soviet Union, the President has declared his intention to move beyond the successful policy of containment of Soviet power to a new policy whose goal is

integrating the Soviet Union into the world community as a constructive partner. Positive changes so far in Soviet policies ~~-- in human rights, economic reforms, and settlement of some international conflicts --~~ need to be encouraged and broadened. The United States will be ready to respond to such further developments. Already:

delete

-- The US-Soviet dialogue on conflicts in regions of the Third World has resumed intensively, with regular meetings at the level of Assistant Secretary of State.

-- A US-Soviet dialogue has 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), and on strategic arms reduction. U.S. initiatives also aim at early progress on verification issues to further early agreement on strategic arms reductions.

-- ARMS Control is part of our broad strategy for peace and increased security for ourselves and our allies. Our objective is to reduce the risk of war.

o **China:** In response to the 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.

- **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 urging Manuel Noriega to leave power.

- **Bipartisan Accord on Central America:** The President and Congress agreed on March 24 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 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 Communist 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.

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 is also supporting the efforts of the Arab League to bring peace to Lebanon.

o **A Strong Defense:** The President proposed to Congress a ~~two missile plan~~ plan for the development and deployment of two mobile missiles to maintain a strong, modernized strategic deterrent. The plan to deploy the rail-mobile Peacekeeper and the road-mobile Small ICBM will also give the U.S. momentum in strategic arms control negotiations.

See attached insert

-- The President proposed to Congress an integrated package on strategic modernization that capitalizes on the revolutionary potential of the B-2, and modernizes

the third leg of the Triad -- essential also 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 4 years.

o **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.

o **Review of Defense Management:** The President directed the Department of Defense to conduct a complete review of its management and acquisition practices. The resulting Administration blueprint to strengthen and streamline the weapons procurement process will serve the American taxpayer well. The President has ordered the Defense Department to implement the blueprint.

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:** that **excellence** and success in education should be recognized and rewarded; that federal funding should be targeted to those who **need** it most; that **choice and flexibility** -- for educators, parents and students -- are important to educational reform and to achieving excellence; and finally, that greater **accountability** is needed in the education system to assure that students are actually receiving the highest quality education.

ACTION BY THE ADMINISTRATION:

- 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 (HBCU).** 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.

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.

This bullet should be in the economic section, not the environment.

ACTION BY THE ADMINISTRATION:

- **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. This will phase out all federal price controls on natural gas by January 1, 1993.

- **Clean Air legislation:** President Bush transmitted to the Congress a sweeping program to ensure clean air for all Americans. The President's plan, transmitted to Congress on July 21, 1989, calls for the first revisions to the Clean Air Act since 1977 and is designed to curb three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions.
  - **Acid Rain:** Sulfur dioxide emissions that cause acid rain will be cut in half, by ten million tons, and nitrogen oxide levels cut by two million tons -- by the

end of this century. Companies will be allowed to trade credits among themselves for reductions they make, so that they can decide how to bring aggregate emissions down as cost-effectively as possible.

-- **Urban Air Pollution:** By employing a mix of federal measures and state initiatives, this legislation will sharply cut air pollution in our cities by the year 2000. The federal measures alone will cut hydrocarbon emissions -- which contribute to urban ozone -- by almost half.

Currently, 81 cities don't meet Federal air quality standards. This legislation will bring clean air to all but 4 cities by 2000 -- and within 20 years, Los Angeles, Houston, New York, and Chicago.

In the nine urban areas with the greatest smog problems, smog will be cut through alternative fuels and clean-fueled vehicles. The President is calling for the phased-in introduction of a half a million clean-fueled vehicles in 1995, building up to a million in 1997 through 2004.

To the maximum extent feasible, automobile and fuel companies will be allowed to trade reduction credits among themselves.

-- **Toxic Air Emissions:** All categories of airborne toxic chemicals should be cut by 75 percent by the year 2000. In its first phase, this initiative should eliminate

[redacted] Global Warming: The President has stated [redacted] that the U.S. views this as a serious environmental problem and will work with the world community to find a solution. He has endorsed the efforts of the Intergovernmental Panel on Climate Change (IPCC) which is expected to lead to negotiations towards a convention on global warming in 1990. The U.S. leads the world in global climate research.

about three-quarters of the needless deaths from cancer that are suspected to have been caused by toxic industrial air emissions.

Until now, because of an unworkable law, the EPA has been able to regulate only seven of the 280 known air toxics. The President's plan will allow EPA to do its job better, and will apply the most advanced industrial technology available to control these airborne poisons. The legislation promises certifiable progress in regulating sources of toxic air emissions on a set schedule.

- **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 cleanup, 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 proposed, and the Paris Economic Summit leaders accepted, a call for increased international efforts on oil spill prevention and clean-up, primarily through the International Maritime Organization.

- **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 cleanup costs and damages through a liability system based on strict financial responsibility requirements for shipowners backed up by an oil-industry financed fund.

- **Outer Continental Shelf Task Force:** The President set up a special task force to address environmental concerns about oil and gas drilling off the coasts of California and Florida.
  - -- On April 18, the Interior Department proposed a $6 million research program on oil spill detection, containment and clean-up technology.

- **Cleaning up hazardous wastes:** 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.

- On June 5, the President announced a U.S. ban on the importation of elephant ivory as a way of galvanizing the world's nations to protect the rapidly dwindling elephant populations in this effort. Many nations have now joined the U.S.

- **Wetlands:** The President is also committed to "no net loss of wetlands" and is directing his executive branch agencies, through an interagency task force, to make recommendations to achieve that goal. He has also proposed $206 million in his budget to expand our parks and wildlife refuges.

- **Asbestos Ban:** On July 7, EPA announced an almost total phase-out of 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.

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

Deforestation and Reforestation:
- The President endorsed the [redacted] call by the Paris Economic Summit for an end to world deforestation.

(over)

He supports increased lending by the development banks for reforestation programs and the implementation of the Tropical Forest Action Plan.

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, 1989, President Bush transmitted 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%.

FIGHTING DRUG ABUSE

We have begun a new war on drugs in this country. The President believes a **four-pronged approach** is key: **education, treatment, interdiction and enforcement.** The policy of this Administration is **"zero tolerance."** No amount of illegal drug use is acceptable. This means dealing with both supply and demand.

ACTION BY THE ADMINISTRATION:

o **Budget:** The Administration is requesting $6.4 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly $1 billion for drug education, treatment and enforcement.

o **Education:** The Administration is requesting nearly $1.1 billion for education and prevention efforts. This is a 16 percent increase over 1989 and includes funding for ongoing programs and new initiatives.

See attached
Insert on Vienna Convention

-- **To make drug use and trafficking a lease violation subject to eviction proceedings;**
-- **To target federal assistance to anti-drug security measures;**
-- **To revoke federal housing subsidies from those dealing in drugs;**
-- **To involve the private and voluntary sectors in efforts to rid public housing of drugs and give residents, especially young people, a stake in their communities and their futures.**

o In addition, **the Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia** by expanding the Metropolitan Area Task Force, working for more prisons, and providing FBI support in enforcement. The assistance of the National Institute on Drug Abuse will be provided to local treatment efforts. The Department of Education will assist the District with 50 percent more funds for drug prevention programs in city schools and the Department of Labor will support employee assistance programs and work with the business community to increase job training for youth.

WORKING FOR A KINDER, GENTLER AMERICA

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 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.

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 recreate what is working; and third, to discover and encourage new leaders.

ACTION BY THE ADMINISTRATION:

- **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;

-- **all heads of business and professional firms** to include community service among the factors considered in making hiring, compensation and promotion decisions;
-- **newspapers, magazines, radio and television stations, cable systems, and other media institutions** to identify service opportunities, spotlight successful service initiatives and profile outstanding community leaders regularly;
-- **all state and local education boards** to uphold the value of service and to encourage students, faculty and personnel to serve others;
-- **college and university presidents** to recognize the value of community service in considering applicants, and to encourage and uphold the value of community service; and
-- **not-for-profit service organizations** to build the capacity to absorb increasing numbers of volunteers in purposeful roles.

o **Identifying, Enlarging, and Recreating What is Working:** The President announced the formation of a foundation called the **Points of Light Initiative,** of which he will serve as Honorary 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 governors nationwide to join the movement by forming State and local Points of Light working 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 bring 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 telephones, computers and other mechanisms between those who wish to serve and those needing service in the inquirer's own community.

-- **The Foundation will also discover and encourage new leaders by recognizing them through 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.

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.

o **JOBS Program:** The Administration is proposing to spend $3.3 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 the next five years as a result of this program.

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 $37.6 billion for FY 1990, an increase of $3.3 billion, or 9.6 percent over the FY 1989 level.

ACTION BY THE ADMINISTRATION:

o **Expanding Medicaid:** On April 18, the Administration forwarded to Congress proposed legislation to make federal programs better serve pregnant women, infants and children. The legislation would expand the population Medicaid serves,

making Medicaid available to 1.9 million more women when they become pregnant. The legislation would:

-- Increase by 374,000 the number of pregnant women and children eligible for Medicaid.

-- Foster greater participation in Medicaid by eligible pregnant women by providing services to pregnant women who are presumed eligible for Medicaid before a formal eligibility determination is made; and by requiring States to operate outreach programs in areas of high infant mortality.

-- Entitle all children under age 6, who are receiving Food Stamps, to receive Medicaid coverage for immunizations.

-- Make the Federal match rate for State administration expenses a uniform 50 percent by gradually reducing special administrative match rates that currently range from 75 to 100 percent. The savings that would result would allow the legislative eligibility changes proposed by the President to be implemented within the current program's spending level.

AIDS INITIATIVES

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:** The Administration unveiled a proposal to allow wider availability of experimental therapeutic drugs used to treat people with 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.

HOUSING/HOMELESSNESS

President Bush has taken a number of steps to create an "opportunity society" of jobs, growth, housing and hope for Americans in need of a helping hand.

ACTION BY THE ADMINISTRATION:

- **Homelessness:** In his FY 1990 budget, the President has proposed to provide over $1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing, health care and human dignity. President Bush's proposal calls for fully funding the McKinney Homeless Assistance Act and for a new $50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.

- **Affordable housing:** President Bush is committed to making housing more affordable for low-income families, and to provide homeownership opportunities to the disadvantaged and to young families. President Bush proposes to assist 109,000 new families in need of low-income housing, and has pledged to maintain assistance to those families already being helped. President Bush has also signalled his commitment to helping poor residents in public housing to

become homeowners through resident management and ownership programs.

OPPORTUNITY

- **Enterprise zones:** President Bush has called for enactment of enterprise zone legislation, to give urban and rural areas the opportunity for jobs and hope for the future. President Bush asked Congress to enact labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities.

- **Job training:** The President 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.

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:

- **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.

- **Disabled Americans:** The Administration has reached a consensus with key Senators on legislation that would fulfill the President's commitment to seek legislation extending civil rights protections to disabled Americans. The legislation, called the **Americans with Disabilities Act**, would represent the most significant expansion of federal civil rights laws in the past two decades.
  - -- The legislation would provide unprecedented protections against discrimination in the area of employment,

requiring reasonable accommodation be made by employers for disabled potential employees.

-- All 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.

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 competition to American Congressional elections. The package, which 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.

-- **Prohibition of the conversion of political contributions** for personal or office use.

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.

# # #

MASTER

Document No. 056919 SS

a: sixsumm
a: sixmonth

WHITE HOUSE STAFFING MEMORANDUM

DATE: 7/25/89 **ACTION/CONCURRENCE/COMMENT DUE BY:** 12:00 NOON, 7/26/89

SUBJECT: SIX MONTHS OF THE BUSH ADMINISTRATION

2:30pm

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE late	☑	☐
SUNUNU	☐	☑	NEWMAN	☐	☐
SCOWCROFT	☑	☐	PORTER	☑	☐
DARMAN late	☑	☐	STUDDERT late	☑	☐
BATES late	☑	☐	UNTERMEYER	☐	☐
BREEDEN	☑	☐	Bennett out	☑	☐
CARD	☑	☐	Boskin	☑	☐
CICCONI	☐	☑	Petersmeyer	☑	☐
DEMAREST	☑	☐	Rogers ~~late~~ has talked to Dave	☑	☐
FITZWATER	☐	☑	Winston	☑	☐
GRAY late	☑	☐	Pinkerton	☑	☐
HAGIN	☐	☐	_____	☐	☐

REMARKS:

Please provide your comments/recommendations directly to Chriss Winston (Rm. 122, Ext. 2930) with an info copy to my office no later than 12:00 NOON, WEDNESDAY, JULY 26, 1989. Please note that TWO DOCUMENTS are attached. Thank you.

RESPONSE:

89 JUL 25 P12 : 46

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

((Grant))
July 21, 1989
Draft two
A:sixmonth

BUILDING A BETTER AMERICA

SIX MONTHS OF THE BUSH ADMINISTRATION

SUMMARY

As the Bush Administration passes the six-month mark, Americans know that the President has set the agenda on a number of fronts domestically -- from the environment and education to the fight against drugs and crime. The economy is strong, with the current economic expansion continuing to set new records and create new jobs. Meanwhile, America is standing tall in the international arena, after President Bush's leadership at two multilateral summits paved the way for greater understanding among the allies and improved relations with the Soviet Union and the Eastern Bloc nations.

KEEPING THE ECONOMY STRONG

- **Record expansion:** During the current economic expansion -- now in its ~~79~~ so th month as of ~~June~~ July -- nearly 20 million jobs have been created and the unemployment rate has fallen to levels not seen in 15 years. Income levels ~~continue to set records~~ have risen sharply, and growth in industrial output is nearly double that of Western

Europe. Consumer price inflation has remained under 5 percent for the past 7 years.

- **Budget agreement:** The President has put forth a budget which restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes, in fiscal year 1990. The President and Congress announced on April 14 a budget plan to reduce the estimated fiscal year 1990 deficit by about $64 billion below fiscal year 1989.

- **Savings and Loans:** The ~~Administration's~~ President's proposal to solve the savings and loan crisis was ~~passed~~ acted upon by the House and Senate and is currently in conference to resolve differences. The President's plan calls for tough standards to help ensure such a crisis never happens again.

- **Third World debt:** The Administration has taken the lead in finding a way to reduce the debt burden, ~~of~~ and encourage economic growth in developing countries. ~~With~~ At the Administration's ~~encouragement~~ urging, the IMF and World Bank have set aside funds to ~~aid~~ support debt reduction programs for developing countries.

- **Capital gains tax cut:** The President has sent to the Congress a proposal ~~which~~ that would re-establish a capital gains differential will ~~encourage capital formation, saving, and job formation.~~ lower the cost of capital, create incentives for investment, make American business more competitive and create new job opportunities.

- **Minimum wage:** The President, by vetoing the excessive across-the-board increase in the minimum wage proposed by Congress, preserved

job opportunities for the disadvantaged and blunted the adverse economic impact such a move would have had.

- **International Trade:** The Bush Administration successfully broke a stalemate in ~~international trade talks~~ the Uruguay Round of multilateral trade negotiations and advanced its proposal to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with important trading partners to encourage them to open their markets to our exports. ~~The Administration is working hard to accomplish~~

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

- **"Europe Whole and Free":** In a series of major speeches ~~in April and May,~~ the President outlined a vision of a new Europe -- secure, prosperous, whole and free -- vindicating four decades of Western policies, and seizing a historic opportunity to move toward ending the postwar division of Europe.

- **Poland and Hungary:** The President signalled his strong support for ~~the people of~~ democratic change in Hungary and Poland ~~as they move toward more democratic reforms --~~ by visiting those nations and offering political and moral support as well as economic and trade incentives.

- **Economic Summit:** ~~The unity of the industrial democracies was demonstrated at~~ Under President Bush's leadership the Paris Economic Summit, ~~as President Bush~~ made further progress on key ~~objectives~~ U.S. economic and political objectives such a strengthened debt strategy; economic policy coordination, a completion of the Uruguay Round by December 1990 and international cooperation on protection of the environment.

Our political allies agreed
~~took the lead in encouraging our allies~~ to support Polish and Hungarian economic reforms.

- **"Beyond Containment":** The President has responded to great changes in the Soviet Union ~~with his policy to move~~ by moving to a policy that seeks to integrate "beyond containment" ~~by integrating~~ the Soviet Union into the ~~world~~ community of nations. ~~order~~.

- **Arms Control/NATO Summit:** In arms control, the President has accelerated the pace of negotiations with the Soviet Union ~~has accelerated~~, with new American initiatives on ~~,~~ reducing Conventional ~~/~~ Forces in Europe (~~which~~ addressed ~~the President unveiled at~~ by the NATO Summit), on ~~banning~~ "Open Skies," ~~chemical weapons~~, and on strategic arms reduction.

- **~~Soviet Relations~~ The U.S.-Soviet Dialogue:** The US-Soviet dialogue on conflicts in regions of the Third World has resumed intensively, and a US-Soviet dialogue has begun on a new range of global problems ~~which~~ that require global cooperation, such as terrorism, the environment, and narcotics.

- **China:** In response to the suppression of the democratic movement in China, the President signalled that we cannot condone repression while he worked to preserve the basic elements of a strategically important relationship.

- **Central American accord:** The President and Congressional leaders agreed on March 24 on a bipartisan strategy for peace and democracy in Central America.

- Strengthening Our Strategic Deterrent: After a thorough review of U.S. defense strategy, the President submitted to the Congress a defense budget that will modernize our ability to deter war.

INVESTING IN OUR FUTURE

- **Education:** The President proposed and sent to the Congress a comprehensive education package, **The Educational Excellence Act of 1989,** which includes seven initiatives on merit and magnet schools, alternative certification of teachers, excellence awards for teachers, emergency grants to help urban schools to fight drugs, ~~new~~ increased funding for endowments at Historically Black Colleges, and a National Science Scholars program. ~~The~~ The Act has been reported to the ~~House~~ Senate floor virtually intact.

- **Natural Gas Deregulation:** On July 26, the President signed into law the **Wellhead Decontrol Act of 1989,** which ~~ends all remaining price controls on natural gas.~~ Stet This will phase out all federal price controls on natural gas by January 1, 1993.

- **Clean Air Act revisions:** On July 21, President Bush transmitted to the Congress the first revisions to the **Clean Air Act** since 1977. His legislation is designed to

drastically reduce three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions.

- **Hazardous waste:** The President announced he will be seeking new legislation to ban all exports of hazardous waste except where an agreement already exists with the receiving country to provide for its safe handling.

- **Ozone depletion:** The President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available, in order to prevent further damage to the earth's protective ozone layer.

- **Clean water:** The EPA has started a tracking system for medical wastes and the Justice Department has started a task force to prosecute these abuses -- 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.

- **Wetlands:** The President is committed to "no net loss of wetlands" and is directing his agencies to work toward that goal. He has also proposed $206 million in his budget to expand our parks and wildlife refuges.

- **Combatting Violent Crime:** President Bush transmitted to Congress **The Comprehensive Violent Crime Control Act of 1989** to combat violent crime. Measures will augment enforcement and prosecution, strengthen current law, control certain semi-automatic weapons, and expand prison capacity.

- **Fighting Drug Abuse:** The Administration is requesting $6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly $1 billion for drug education, treatment and enforcement. In September, the President will announce the Administration's D.C. Anti-Drug Efforts:

- **Drug Czar:** The Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia by expanding the Metropolitan Area Task Force, working for more prisons, and providing support in enforcement and local treatment efforts.

- **Space:** The President announced a three step commitment to establish America's preeminence in space -- Space Station Freedom, a permanent presence on the Moon, and a manned mission to Mars for this and future generations.

- **Drug-Free Public Housing:** The Bush Administration is working to make public housing drug free, and to protect the rights of the vast majority of decent, law-abiding public housing residents.

new drug strategy and budget;

- Transportation: The President directed the Secretary of Transportation to develop a national transportation policy to move America into the 21st Century.

RP
Bill Roper

M

WORKING FOR A KINDER, GENTLER AMERICA

- **Child Care:** The President has transmitted to ~~the~~ Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which provides a new refundable child care tax credit of up to $1000 per child under age four, for low and moderate income working families. This legislation will also make the existing Child and Dependent Care Tax Credit refundable, and does not discriminate against religious ~~and~~ or family-based child care or a parent who chooses not to work outside the home.

- **Head Start:** The President has also transmitted legislation to ~~the~~ Congress ~~which would~~ that allow a $250 million increase ~~the FY 1990 authorization for~~ in Head Start appropriations. ~~by $250 million~~; this will pay for enrollment of up to 95,000 more four-year-olds in the program.

OK

- **National Service:** The President is spearheading a movement to ~~encourage~~ call all Americans to national service. He has ~~and~~ announced the formation of a foundation ~~called~~ known as the **Points of Light Initiative** to identify, enlarge and recreate those community service initiatives ~~which~~ that are working and to discover and encourage new leaders.

- **Welfare Reform:** The Administration issued proposed rules on April 18 to **implement the major provisions of the Family**

Bill Roper

Support Act of 1988, as ~~a~~ the next step ~~toward~~ in welfare reform. The Administration is proposing to spend $3.~~3~~ 6 billion over the next five years, ~~implementing~~ to the JOBS program. The ~~changes~~ Act will help reduce the number of individuals ~~on~~ who need welfare.

- **Medicaid:** ~~On April 18,~~ To address the all-too-high infant mortality rate the Administration forwarded to Congress ~~proposed~~ legislation to ~~make~~ improve federal Medicaid assistance ~~programs~~ to ~~better~~ serve pregnant women, infants and children. ~~[[This is designed to deal w/ nations all-too-high infant mortality rate]]~~ OK Bill Roper

- **Homelessness:** President Bush has called for fully funding the McKinney Homeless Assistance Act and for a new $50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.

- **Enterprise Zones:** President Bush asked Congress to enact labor and capital-based incentives -- through ~~urban~~ enterprise zones -- to create jobs and entrepreneurial activity in our most distressed communities.

- **Campaign Finance Reform:** The President's comprehensive campaign finance proposal is designed to lessen the power of special economic interests and restore competition to American Congressional elections.

- **Ethics:** President Bush sent comprehensive ethics legislation to the Congress on April 12th, and he issued an Executive Order announcing ethical principles for the conduct of executive branch employees.

- **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.

Emily Mead

CIVIL RIGHTS: The President has called upon Congress to reauthorize the Commission on Civil Rights and has proposed additional funding for historically black colleges and universities (HBCUs). The administration has endorsed the Hates Crimes Bill which provides for the collection of data about crimes motivated by race, religion, or ethnicity. The Civil Rights Division of the Department of Justice has vigorously pursued the enforcement of the Fair Housing Amendments act of 1988 which became effective in March.

M

BUILDING A BETTER AMERICA

SIX MONTHS OF THE BUSH ADMINISTRATION

KEEPING THE ECONOMY STRONG

Maintaining the current 8 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 [very good] exceptionally good with extraordinary job growth and the policies proposed by the Bush Administration are designed to preserve this strong record. (weak numbers) MK

- **Record peacetime expansion:** The current expansion reached ~~79~~ 80 months in ~~June~~ July. (expand) MK

- **Job creation:** Nearly 20 million new jobs have been created during this expansion, and the unemployment rate fell to levels not seen in 15 years. 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 -- ~~the average person's~~ ~~personal~~ income after taxes and inflation -- has risen 19 percent during this expansion. Real median family income -- ~~the level of income after inflation which splits the family~~ of the family exactly in the middle (?)

07:15

~~income distribution in half --~~ set a new record in 1987, the last year for which data are available.

- **Industrial output:** During this expansion, American industrial output has grown almost ~~4~~ 4.1 ~~percent compared with~~ percent as per CEA (now 2nd quarter) ~~overall economic growth of 29 percent. This is~~ almost double ~~Europe~~ Western Europe's growth rate in industrial output.

- **Higher national saving and investment:** During the first ~~eight~~ nine months of fiscal year 1989, the Federal Government budget deficit ~~is~~ was less than during the same period in the previous fiscal year. Partly due to the discipline of ~~GRH~~ Graham-Rudman-Hollings, the Federal deficit has declined from ~~5.4~~ 6.3% percent of GNP in fiscal year ~~1985~~ 1983 to ~~about~~ an estimated 2.9 percent this fiscal year. The personal saving rate has risen to 5.4 percent. ~~in the first quarter of 1989 from its recent low of 2.2 percent in the second quarter of 1987.~~ Business fixed investment as a percent of real GNP has risen ~~from a recent low of 11.1 percent in the first quarter of 1987~~ to 12.3 percent in the ~~first~~ second quarter of 1989.

- **Inflation under control:** Consumer price inflation ~~has~~ remained under 5 percent for the past 7 years, and the recent slowing in economic growth to a sustainable rate will lessen price pressures in the near future. The

Administration and the Federal Reserve share the goal of ~~ultimately~~ achieving price stability.

ACTION BY THE ADMINISTRATION:

- **Presenting a budget:** The President put forth a budget ~~which~~ that addresses our fundamental obligations for the protection of national security and support of the needy, while providing sufficient funds to advance high-priority initiatives. The President's budget restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes ~~in fiscal year 1990.~~ set

- **Reaching a budget agreement with Congress:** The President and Congress announced on April 14 a budget plan to reduce the estimated fiscal year 1990 deficit by about $64 billion below fiscal year 1989. The ~~deficit will be reduced~~ plan calls for reducing the ~~below the maximum specified~~ meeting the targets set by ~~as required~~ the Gramm-Rudman-Hollings law. ~~$99.4~~ $99 billion, **This is the first budget agreement reached before the start of the budget year and not framed in the context of crisis.** in recent years

- **Savings and Loan reform:** The ~~Administration's~~ President's proposal to solve the savings and loan crisis ~~was passed~~ has been acted on by the House and Senate and is currently in conference. The proposal included provisions to:

-- Assure the financial integrity of the deposit insurance system by raising the annual premium rate for both commercial banks and S&Ls and restricting high-risk activities.

-- Resolve the status of existing insolvent ~~banks~~ institutions in an orderly fashion.

-- Improve supervisory control by bringing S&Ls up to the same accounting and capital requirement standards applied to commercial banks.

-- ~~Enhance~~ Strengthen the enforcement of bank fraud provisions.

o **Solution of the international debt problem:** The Administration has taken the lead ~~in finding a way~~ encouraging commercial banks to reduce the debt and debt service burdens of developing countries. ~~With~~ AT the Administration's ~~encouragement~~ urging, the IMF and World Bank have ~~set aside funds to aid~~ agreed to support debt and service reduction in conjunction with their ~~ongoing~~ debtor programs to promote investment, growth, and the return of flight capital to these countries. The recent agreement between Mexico and commercial banks with its emphasis on debt and debt service reduction should lead to similar agreements with other heavily-indebted countries. attests to the viability of the Administration's plan for resolving the LDC debt problem and

o **Capital gains tax rate cut:** ~~The re-establishment of a capital gains differential will encourage capital formation, saving, and job formation. The President has sent to the Congress~~ a proposal, ~~which~~ which has been sent to Congress, includes: A lower tax rate for long-term capital gains is a key element of President Bush's economic program. It will reduce the cost of capital in the United States, create incentives for investment and increase job opportunities for Americans.

-- A 45 percent capital gains exclusion for qualified capital gains, ~~making the~~ or a 15 percent maximum capital gains tax ~~rate 15 percent.~~ rate at the taxpayer's option

-- A phased-in increase in the qualifying holding period from one year to three years.

-- An exemption from the capital gains tax for families earning under $20,000.

o **Minimum wage proposal:** The President believes in keeping job opportunities available for youth and for those seeking to enter the economic mainstream. The excessive across-the-board % increase in the minimum wage which was proposed by Congress would have had an adverse economic impact and cut job opportunities drastically. ~~Because of this, he~~ Accordingly the President vetoed the bill passed by Congress. The veto was later sustained.

o **International Trade:** The Administration is forcefully promoting the opening of world markets. It successfully broke a stalemate in ~~international trade talks~~ the Uruguay Round's mid-term review and ~~advanced its proposal~~ 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 important trading partners to encourage them to open their markets to our exports. Together these efforts should greatly expand opportunities for U.S. exports.

o Steel Imports:

o **Agricultural initiatives:** The Administration has announced additional advance deficiency payments of 10 percent available to producers of wheat, feed grains, rice and upland cotton. In addition, a top-level Working Group on Rural Development was established by the President to focus on an action-oriented agenda.

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 (VRA's) that currently limit steel imports into the U.S. and to negotiate an international consensus to address trade-distorting practices.

- **Clean Air:** The Administration transmitted to the Congress on July 21 a Clean Air Act which will harness the power of the marketplace in achieving the goals of the act in the most cost-effective manner possible.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

President Bush is committed to a strong American role of world leadership and sees in present global trends an unprecedented opportunity for strengthening both world peace and the cause of freedom. He has taken the initiative to seize that opportunity.

ACTION BY THE ADMINISTRATION:

- **"Europe Whole and Free":** In a series of major speeches in April and May, the President outlined a vision of a new Europe -- secure, prosperous, whole and free -- vindicating four decades of Western policies.

  -- **Western Europe:** As the European Community heads toward a single market in 1992 and also develops its political institutions and a more coordinated approach to foreign policy, the President has pledged his support for close cooperation with the EC and its member states. We see the resurgence of Western Europe

-- NATO SUMMIT: AT the successful NATO SUMMIT, the President's VISION of Europe as well, as a new conventional arms reduction initiative, helped restore Alliance unity and confidence and define the Alliance's future agenda.

as a triumph of Western values and principles, ~~We~~ the President welcomed its success, confident that a mature partnership will serve mutual interests.

-- **Eastern Europe:** As Poland and Hungary take unprecedented steps ~~of reform, permitting first steps~~ toward pluralism, democracy, and market economic policies, the United States has signaled its strong support. Offering political and moral support as well as economic ~~incentives~~ assistance, the President proposed two major new initiatives for Poland and Hungary.

These steps provided an opportunity not only for a democratic transition in these ~~two~~ countries but also for a broader process of European reconciliation.

-- **Poland:** Following up on the program the President announced earlier this year in Hamtramck, Michigan, he called for action to declare Poland a beneficiary country under the U.S. Generalized System of Preferences. ~~OPIC~~ The Overseas Private Investment Corporation will be authorized to operate in Poland, and the US is proposing a private business agreement that will promote contacts between the private sectors of both countries. The President will ask Congress to provide a $100 million fund to help capitalize and invigorate the Polish private sector, and encourage the World Bank to move ahead with new loans to help Polish agriculture and industry. Finally, he will ask Congress for $15 million in a cooperative venture with Poland to help fight air and water pollution in Krakow. He has encouraged ~~our friends~~ other members of the Paris Club to agree to ~~provide more liberalized terms in~~ an expeditious rescheduling of Polish debt.

-- **Hungary:** The President will ask ~~the~~ Congress to authorize a $25 million fund as a source of new capital to invigorate the Hungarian private sector. ~~Pending the passage of~~ new emigration legislation ~~in~~ has passed the Hungarian Parliament, the President will inform Congress that Hungary ~~has been released from the restrictions~~ is in full compliance with the restrictions of the Jackson-Vanik Amendments of the 1974 Trade Act. This will make Hungary eligible for Most-Favored-Nation tariff treatment for ~~more liberal access to the American market. The President also offered access to the~~ 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 ~~called~~ for greater scientific, technical, educational and cultural exchanges between the US and Hungary. The President ~~said that the US will open an American House in Budapest, and~~ will seek to establish an International Environmental Center for Central and Eastern Europe in Budapest ~~as well~~. Finally, he announced that the Peace Corps would operate in Hungary -- the first time in a European country.

-- **The Economic Summit in Paris:** The mission of the President's historic visit to Poland and Hungary in ~~early July~~, and ~~of the~~ his ~~President's~~ successful effort at the Paris Economic Summit was to promote concerted actions ~~in areas of mutual concern~~ among the industrial democracies in the economic and political arenas. The ~~unity of the~~ industrial democracies ~~was~~ demonstrated their unity as they dealt with a variety of issues ~~from the economy to East-West strategies to~~ on the international economic agenda, as well as ~~the~~ the problem of drugs and

the
~~global~~ environmental ~~issues.~~ Similarly, the solidarity of the democracies was demonstrated earlier at the NATO summit, as the North Atlantic allies dealt with arms control initiatives.

-- Throughout the trip, the President declared that we face a historic opportunity to lower the barriers that have kept Europe divided. The Cold War began over Eastern Europe, and if it is to end, it must end there as well.

o **"Beyond Containment":** Seeing a historic process of change ~~also~~ 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 goals is integrating the Soviet Union into the world community as a constructive partner. Constructive 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, with regular meetings at the level of Assistant Secretary of State.

-- A US-Soviet dialogue has begun on a new range of global problems ~~which~~ that require global cooperation, such as terrorism, the environment, and narcotics.

-- In arms control, (the President has accelerated) the pace of negotiations ~~has accelerated~~, with new American initiatives on reducing Conventional Forces in Europe (~~which the President unveiled at~~ endorsed by the NATO Summit), ~~on banning chemical weapons,~~ 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:** In response to the 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 ~~is to~~ signals that ~~we~~ cannot, be condone ~~repression,~~ repression, but ~~also~~ 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. ~~as well as being of enormous strategic importance.~~

o **Bipartisan Accord on Central America:** The President and ~~Congressional leaders~~ agreed on March 24 on a bipartisan ~~strategy~~ 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

o LATIN AMERICA: The President has established a close, working relationship with LATIN AMERICAN neighbors to foster a new partnership on hemispheric problems such like democracy, debt and drugs. Relations with Mexico ~~have~~ are now closer than at any time in recent memory. The U.S. has ~~now~~ also worked with the Organization of American States to develop a hemispheric consensus urging Manuel Noriega leave power.

that Soviet 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 Democratic Resistance at current levels through the elections in Nicaragua scheduled for February 1990.

-- Democracy: The Communist Sandinistas are being put to the test ~~next February --~~ to permit ~~a~~ a real democratic electoral contest for political power, fulfilling the promises of democratic pluralism that they have made (and broken) so often before.

o **Middle East ~~Peace Process:~~** The Administration is ~~supporting~~ devoted to promoting progress toward peace in the Middle East ~~parties in efforts to launch a peace process.~~ ~~Our approach is based~~ by supporting ~~the~~ government of Israel's ~~on~~ the concept of Palestinian elections in the occupied territories, ~~which we believe~~ initiative calling for 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 is also supporting the efforts of the Arab League to bring peace to Lebanon.

o **Initiative on Third World Debt:** The President's initiative to strengthen the international strategy on Third World debt has already received broad support from both industrial and developing countries. The approach is designed to promote sustained growth in developing countries by:

o A Strong Defense: INSERT F

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(over - p. 12)

A STRONG DEFENSE

- 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 also give the US momentum in Strategic arms Control negotiations.

- The President proposed to Congress an integrated package on Strategic modernization that ~~also~~ capitalizes on the revolutionary potential of the B-2, ~~that~~ and ~~will~~ modernizes the third leg of the Triad ~~and~~ ~~is thereby~~ essential also to our arms Control positions.

- The President ~~thoroughly reviewed the goals of the Strategic Defense Initiative and found them essential. He~~ requested a funding level of $4.6 billion ~~in order~~ to support an informed development and deployment decision within the next 4 years.

for the Strategic Defense Initiative

-- Emphasizing sound market-oriented economic policies in debtor countries, particularly measure to promote investment and repatriation of flight capital;

-- Increasing the focus on debt and debt service reduction to complement new lending by commercial banks;

-- Using resources from the World Bank and IMF to catalyze voluntary debt and debt service reduction by the commercial banks.

Japan -

o **GATT:** In the Uruguay Round of GATT trade negotiations, progress has been made toward a multilateral agreement reducing trade barriers to exports.

o **Bilateral Meetings:** The President has met with a total of XXX foreign leaders while in office, including 18 bilateral meetings during the trip to Emperor Hirohito's funeral, XX during the NATO Summit, and XX on the trip to Poland, Hungary, the Netherlands, and the Economic Summit.

o Air Transportation Security: (over)

INVESTING IN OUR FUTURE

EDUCATION

The President's actions to improve education are guided by **four key principles:** that **excellence** and success in education should be recognized and rewarded; that federal funding should be targeted to those who **need** it most; that **choice and flexibility** -

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

~~-- new safety requirements~~

-- intense international negotiations to enhance security abroad

- for educators, parents and students -- are important to educational reform and to achieving excellence; and finally, that greater **accountability** is needed in the education system to assure that students are actually receiving the highest quality education.

ACTION BY THE ADMINISTRATION:

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 ~~have made~~ 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.

THE ENVIRONMENT

President Bush, a long-time environmentalist, has taken strong action to protect the environment. He is working ~~shoulder-to-shoulder~~ closely with Interior Secretary Lujan, Energy Secretary Watkins, and EPA Administrator Reilly on a number of fronts.

THE WHITE HOUSE

WASHINGTON

July 26, 1989

MEMORANDUM FOR BRAD MITCHELL

FROM: RAE NELSON

SUBJECT: "Six Months" Update -- Education

Page 5, "Education"

Insert after current bullet:

On April 28, the President issued a new Executive Order on Historically Black Colleges and Universities. On June 5, the President announced his intention to form the President's Education Policy Advisory Committee, the first such committee of his Administration. On June 5, he also issued a corporate call to action to the Nation's businesses to become a part of the national effort towards excellence in education. He asked the private sector to report back to him shortly after Labor Day on its action plan for excellence in education.

Page 13, "Education"

Insert "On April 5," before current section, Action By the Administration.

Page 14, "Education"

Insert after current section:

o On April 28, 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.

insert (1)

-- Asking the Office of National Service to work with HBCUs to encourage graduates to seek careers in science and technology.

-- Instructing the Secretary of Education and the Board of Advisors to work with HBCUs to tap new sources of faculty talent.

-- Instructing the Director of the Office of Personnel Management, in consultation with the Secretary of Education and the Secretary of Labor, to maximize opportunities for part-time and summer Federal government jobs.

o On June 5, the President announced his intention to establish the **President's Education Policy Advisory Committee**, ~~his first such committee as President~~, to bring together leaders from business, labor, educators, ~~,~~ state and local government officials, and the media in a partnership to ~~bring him~~ develop innovative ideas ~~toward~~ improving ~~the quality of~~ education ~~in the country~~.

o On June 5, the President issued a **corporate call to action** and **challenged the nation's private sector** to report back to him shortly after Labor Day on its action plan in the national effort towards improving literacy and working towards excellence in education. ~~He also issued a four-point challenge to the nation's businesses to:~~

-- raise literacy levels;

-- create an environment in the workplace where employee education and training is on-going;

-- challenge Chief Executive Officers and other business leaders to get personally involved in their community schools and be catalysts for change;

-- to work for all of the Nation's corporations to be involved in a common effort.

o The President also ~~has~~ invited the Nation's governors to an historic education summit scheduled for September 27-28 to form a partnership to improve the nation's educational performance.

ACTION BY THE ADMINISTRATION:

- **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. This will phase out all federal price controls on natural gas by January 1, 1993.

- **Clean Air legislation:** President Bush transmitted to the Congress a sweeping program to ensure clean air for all Americans. The President's plan, transmitted to Congress on July 21, 1989, calls for the first revisions to the Clean Air Act since 1977 and is designed to curb three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions.
  - -- **Acid Rain:** Sulfur dioxide emissions that cause acid rain will be cut in half, by ten million tons, and nitrogen oxide levels cut by two million tons -- by the end of this century. Companies will be allowed to trade credits among themselves for reductions they make, so that they can decide how to bring aggregate emissions down as cost-effectively as possible.
  - -- **Urban Air Pollution:** By employing a mix of federal measures and state initiatives, this legislation will sharply cut air pollution in our cities by the year 2000. The federal measures alone will cut hydrocarbon emissions -- which contribute to urban ozone -- ~~virtually in~~ by almost half.

Currently, 81 cities don't meet Federal air quality standards. This legislation will bring clean air to all but ~~25~~ 3 cities by ~~1995~~ 2000 -- and within 20 years, ~~even to~~ Los Angeles, Houston and New York.

In the nine urban areas with the greatest smog problems, smog will be cut through alternative fuels and clean-fueled vehicles. The President is calling for the phased-in introduction of a half a million clean-fueled vehicles in 1995, building up to a million in 1997, through ~~2007~~ 2004.

To the maximum extent feasible, automobile and fuel companies will be allowed to trade reduction credits among themselves.

-- **Toxic Air Emissions:** All categories of airborne toxic chemicals should be cut by 75 percent by the year 2000. In its first phase, this initiative should eliminate about three-quarters of the needless deaths from cancer that are suspected to have been caused by toxic industrial air emissions.

Until now, because of an unworkable law, the EPA has been able to regulate only seven of the 280 known air toxics. ~~These reforms~~ The President's Plan will allow EPA to do its job better, and will apply the most advanced industrial technology available to control these airborne poisons. The legislation promises certifiable progress in

regulating sources of toxic air emissions on a set schedule.

- **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 ~~itself~~. Exxon has accepted responsibility for paying for the cleanup, and for employing local civilian personnel necessary to control further damage. EPA Administrator Reilly is 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 has set up a special task force to address environmental concerns about oil and gas drilling off the coasts of California and Florida.
  - -- The Administration transmitted to the Congress a ~~draft~~ comprehensive oil spill liability bill, to XXX (call Transoportation)

Insert (2)

OUTER CONTINENTAL SHELF

- OCS Task Force: The President set up a special task force to address environmental concerns about oil and gas drilling off the coasts of California and Florida.
- **Cleaning up hazardous wastes:** 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 ~~except~~ unless ~~where~~ an agreement exists with the receiving country providing for the safe handling and management of those wastes.

-- On April 18, the Interior Department proposed a $6 million research program on oil spill detection, containment and clean-up technology.

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Insert #1 Transportation

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- **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, ~~and implements two international oil spill treaties.~~ The bill provides ~~Americans with~~ swift and assured compensation for cleanup costs and damages through a ~~two-tier~~ liability system based on strict financial responsibility requirements for ship-owners backed up by an oil-industry financed Fund.

Current wording is fine

— Alaskan Oil Spill

— President's task force

Sandy

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- 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 is reinvigorating the Superfund hazardous waste clean-up program by directing EPA to take a number of actions, including more aggressive action to force private parties to clean up sites, stepped-up cost recovery, and better use of existing emergency cleanup authorities. EPA is also now finishing a priority review of Superfund to improve its operation.

- **Ozone depletion:** The President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available, in order to prevent further damage to the earth's protective ozone layer.

- **Clean water and coastlines:** The EPA has started a tracking system for medical wastes and the Justice Department has ~~started~~ set up a task force to prosecute ~~these abuses~~ those who deliberately dump medical waste into our Nation's waters -- 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.

- **Wetlands:** The President is committed to "no net loss of wetlands" and is directing his agencies to work toward that goal. He has also proposed $206 million in his budget to expand our parks and wildlife refuges.

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, 1989, President Bush transmitted to Congress **The Comprehensive Crime Control Act of 1989** to combat violent crime. Elements of the legislation include:

-- **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:** The President also announced that the Administration has made permanent the temporary suspension on the importation of any semi-automatic weapons which fail to meet the criteria specified in the Gun Control Act of 1968. He also called for the closing of loopholes which allow access to such guns by certain classes of criminals. The President introduced legislation 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 hiring 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. O.K. This will add 24,000 new Federal prison beds to the current 31,000 beds, an increase of nearly 80%.

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Richard Bachman OMB 3914

FIGHTING DRUG ABUSE

We have begun a new war on drugs in this country. The President believes a **four-pronged approach** is key: **education, ~~rehabilitation~~** (?) **treatment, interdiction and enforcement.** The policy of

Leadership on J's

this Administration is **"zero tolerance."** No amount of illegal drug use is acceptable. This means dealing with both supply and demand.

ACTION BY THE ADMINISTRATION:

- **Budget:** The Administration is requesting ~~$6~~ 6.4 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly $1 billion for drug education, treatment and enforcement.

- **Education:** The Administration is requesting nearly $1.1 billion for education and prevention efforts. This is a 16 percent increase over 1989, and includes funding for ongoing programs and new initiatives.

- **Rehabilitation:** Funding for drug abuse treatment will be increased 18 percent. The Administration is proposing over $700 million to expand the nation's capacity to provide treatment, particularly to ~~the~~ indigent, disadvantaged, youth, and expectant mothers.

- **Interdiction and enforcement:** The Administration is proposing over $4.1 billion for law enforcement programs in 1990, a ~~10~~ 2 percent increase over 1989. This constitutes about 70 percent of President Bush's proposed drug budget.

Substantial increases are requested in funding to strengthen inspection, interdiction, intelligence efforts and crop eradication programs, such as Operation ~~Polar~~ SNOW Cap, a federally led effort which broke up a $1.2 billion drug money-laundering operation. The President strongly supports the death penalty for drug kingpins who commit drug-related murders, and will appoint judges who will strongly enforce the drug penalty laws.

- **Public housing:** The Bush Administration is working to make public housing drug free, to protect the rights of the vast majority of decent, law-abiding public housing residents. The Department of Housing and Urban Development has acted:
  - -- To modify its lease and grievance procedures to facilitate eviction of those involved in drug related criminal activity;
  - -- To make drug use and trafficking a lease violation subject to eviction proceedings;
  - -- To target federal assistance to anti-drug security measures;
  - -- To revoke federal housing subsidies from those dealing in drugs;
  - -- To involve the private and voluntary sectors in efforts to rid public housing of drugs and give residents, especially young people, a stake in their communities and their futures.

- In addition, **the Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia** by expanding the Metropolitan Area Task Force, working for more prisons, and providing FBI support in enforcement, ~~and providing~~ the assistance of the National Institute on Drug Abuse to local treatment efforts will be provided. The Department of Education will ~~provide~~ assist the District with 50 percent more funds for drug prevention programs in city schools. The Department of Labor will ~~provide~~ contribute support ~~for~~ employee assistance programs and work with the business community to increase job training for youth.

WORKING FOR A KINDER, GENTLER AMERICA

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 ~~has~~ transmitted to ~~the~~ Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which:
  - -- Provides a new refundable child care tax credit of up to $1000 per child under age four, for low ~~and moderate~~ income working families.
  - -- Makes the existing Child and Dependent Care Tax Credit refundable.
  - -- Does not discriminate against religious- ~~and~~ 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 ~~study the market for liability insurance~~ whether barriers to securing insurance to determine ~~if~~ liability ~~issues~~ impair child care.

- **Head Start:** The President ~~has~~ also transmitted legislation to ~~the~~ Congress ~~which~~ that would allow a $250 million increase ~~the FY 1990~~ in ~~authorization for~~ Head Start ~~by $250 million~~ appropriation; this will pay for enrollment of up to 95,000 more four-year-olds in the program.

Status

accurate
- Has passed the House, but will get more complicated.

Dave Sloan - I.A.
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L. Affairs

Part of Child care initiative

Barbara Selfridge OMB 6150

Arlene Holen OMB 5198

NATIONAL SERVICE

The President's ~~strategy for~~ vision to help overcoming the disintegration of communities ~~across~~ 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 ~~action~~ all individuals and institutions to claim society's problems as their own; second, to identify, enlarge and recreate what is working; and third, to discover and encourage new leaders.

ACTION BY THE ADMINISTRATION:

o **~~The Call to Action:~~** President Bush called on:

-- ~~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;

-- **All heads of business and professional firms** to include community service among the factors considered in making hiring, compensation and promotion decisions;

-- **Newspapers, magazines, radio and television stations, cable systems, and other media institutions** to identify service opportunities, spotlight successful service initiatives and profile outstanding community leaders regularly;

-- **All state and local education boards** to uphold the value of service and to encourage students, faculty and personnel to serve others;

-- **College and university presidents** to recognize the value of community service in considering applicants, and to encourage and uphold the value of community service; and

-- ~~and~~ **not-for-profit service organizations** to build the capacity to absorb increasing numbers of volunteers in purposeful roles.

o **Identifying, Enlarging, and Recreating What is Working:** The President announced the formation of a foundation called the **Points of Light Initiative,** of which he will serve as Honorary Chairman. Formed to identify and build upon what is working, the Foundation will ~~be~~ act as a magnet for the best ideas and brightest programs in community service~~.~~ and then ~~to project~~ 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 governors ~~and mayors~~ nationwide to join the movement by forming State and local Points of Light working 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

bring examples of successful initiatives and providing 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" between those who wish to serve and those needing service in the inquirer's own community.

-- The Foundation will also recognize successful community initiatives and outstanding leaders through 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.

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:

- **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.

- **JOBS Program:** The Administration is proposing to spend $3.3 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 the next five years as a result of this program.

EXPANSION OF MEDICAID

The ~~Administration~~ President is committed to health care for the disadvantaged, ~~calling~~ asking for full funding of Medicaid, $37.6 billion for FY 1990, an increase of $3.3 billion, or 9.6 percent over the FY 1989 level.

mothers and children, the disabled and poor aged Americans and has

This will mean

ACTION BY THE ADMINISTRATION:

- **Expanding Medicaid:** On April 18, the Administration forwarded to Congress proposed legislation to make federal programs better serve pregnant women, infants and children. The legislation would expand the population Medicaid serves, making Medicaid available to 1.9 million more women when they became pregnant. The legislation would:
  - -- Increase by 374,000 the number of pregnant women and children eligible for Medicaid.
  - -- Foster greater participation in Medicaid by eligible pregnant women by providing services to pregnant women who are presumed eligible for Medicaid before a formal eligibility determination is made; and by requiring States to operate outreach programs in areas of high infant mortality.

-- Entitle all children under age 6 who are receiving Food Stamps to Medicaid coverage for immunizations.

-- Make the Federal match rate for State administration expenses a uniform 50 percent by gradually reducing special administrative match rates that currently ~~ranging~~ from 75 to 100 percent. The savings that would result would allow the legislative eligibility changes proposed by the President to be implemented within the current program's spending level.

HOUSING/HOMELESSNESS

President Bush has taken a number of steps to create an "opportunity society" of jobs, growth, housing and hope for Americans in need of a helping hand.

ACTION BY THE ADMINISTRATION:

o **Homelessness:** ((In his FY 1990 budget)), the President has proposed to provide over $1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing, health care and human dignity. President Bush's proposal calls for fully funding the McKinney Homeless Assistance Act and for a new $50 million matching grant

program to promote public/private partnerships to assist homeless families and the mentally ill.

Opportunity

- **Enterprise zones:** President Bush has called for enactment of enterprise zone legislation, to give urban and rural areas the opportunity for jobs and hope for the future. President Bush asked Congress to enact labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities.
- Job Training:
- **Affordable housing:** President Bush is committed to making housing more affordable for low-income families, and to provide homeownership opportunities to the disadvantaged and to young families. President Bush proposes to assist 109,000 new families in need of low-income housing, and has pledged to maintain assistance to those families already being helped. President Bush has also signalled his commitment to helping poor residents in public housing to become homeowners through resident management and ownership programs.

ETHICS AND CIVIL RIGHTS

High ethical standards and civil rights 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 proposal is designed to lessen the power of special economic interests and restore competition to American Congressional elections. The package, which seeks to increase the role of individuals and political parties in the electoral process, has four facets:
  - -- **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,** ~~On March 9, the Commission filed its report and its recommendations to the President. Legislation was sent to the Congress, and the President issued an Executive Order announcing ethical principles for the conduct of executive branch employees.~~ The President's proposals include:

-- **A ban on outside earned income** for non-career Presidential appointees in the executive branch, including all employees in the immediate White House Office.

-- **Expanded financial disclosure** for all three branches of government.

(8) -- **Prohibition of the conversion of political contributions** for personal or office use.

(2) -- **Deferral of tax liability** when an individual is required by his or her agency to divest assets in order to avoid conflicts of interest.

(3) -- 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.

(4) -- **A 25 percent pay raise for federal judges** was proposed in separate legislation submitted April 12, while the ethics reform legislation restricts their acceptance of honoraria. ~~President Bush believes that **honoraria** for Members of Congress should be banned; however, the President will not formalize that proposal until after he consults with Congress on that issue and their pay raise. He will include in that discussion the question of a **pay increase for certain executive branch positions**.~~

update

(6) -- The extension of the **Independent Counsel statute to cover ~~the~~ Congress**, and the creation of an independent, non-partisan Congressional Ethics Office

(5) -- 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.

-- The establishment of an **independent ethics office for the Congress**, to be headed by a clearly nonpartisan official, confirmed by both houses.

-- The application of the existing **one-year post-employment "cooling-off" period** for senior executive-branch employees to the legislative and judicial branches.

o **Whistleblower protection:** ~~The President supports public servants who revere the trust placed in them by the American people.~~ 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.

rewrite

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 Administration has ~~On March 8, the Department of Justice~~ endorsed the ~~objectives of the~~ Hate Crimes Bill, which ~~and voiced no opposition to the bill's enactment.~~ ~~The Hate Crimes Bill~~ provides for the collection of data about crimes motivated by race, religion, ethnicity. ~~or sexual orientation~~.

-- 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.

First bullet:

# # #

-- The President has called upon Congress to reauthorize the Commission on Civil Rights.

From the Department of Defense where appropriate:

Review of Defense Management: The President directed the Department of Defense to conduct a complete review of its management and acquisition practices. The resulting Administration blue print to strengthen and streamline the weapons procurement process will serve the American tax payer well. The President has ordered the Defense Department to implement the blue print.

From the Department of Energy where appropriate:

National Energy Strategy: I have ~~directed~~ stet the Secretary of Energy to develop a comprehensive national energy strategy for the nation. ~~This strategy will produce specific recommendations for the near and long term and forge a national consensus on~~ the ~~course the nation should set in order to meet its requirements for energy.~~ 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 technical competitiveness.

From the Department of Commerce where appropriate:

where?

Commerce Secertary Robert Mosabacher announced a ~~decision to keep~~ all of the ~~operating weather stations in service at current~~ levels while modernization plans are ~~carried out.~~ Beginning in FY90 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, oberservation automation, and a new communication system.

From the Department of Labor where appropriate or under investing in our future:

Job Training: The President has send tothe Congress a proposal to improve the job training partnership act by targetting its resources on ~~the poor and at-risk~~ stet youth and adults who most need job training associates to get jobs and become econoimcally self sufficient. ~~The proposal increases the FY1990 authorization for youth by 25 million and FY 1991 and thereafter by 50 million each year~~.