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**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13496  
**Folder ID Number:** 13496-010

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**Folder Title:**  
Six Months of the Bush Administration 7/89 [6]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>25</b>	<b>6</b>	<b>4</b>	<b>2</b>

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**OIL SPILL LIABILITY AND COMPENSATION LEGISLATION  
INTERNATIONAL PROTOCOLS**

**BACKGROUND:** The NGA will consider a policy statement relating to oil spill issues, including the 1984 Protocols which the President has said he would like to ratify. The states generally agree with the provisions of the Protocols but are cautious of the preemption they could necessitate. The Department is working on a solution. In the meantime it is important that the NGA not take a position that seems intransigent. A statement by the President will help considerably.

**STATEMENT:** We are working with the Congress on comprehensive oil spill liability and compensation legislation, including two international treaties. Ratification of these treaties is essential for our states, indeed our nation as a whole, and is vital in working effectively with the international maritime community on preventing and cleaning up oil spills.

TO: JUSTINE  
THANKS FOR YOUR HELP  
JG 7  
26

THE WHITE HOUSE

WASHINGTON

July 27, 1989

MEMORANDUM TO BRAD MITCHELL

FROM: MARIANNE MCGETTIGAN

SUBJECT: 6 Months of the Bush Administration

You asked for comments on the accuracy of the material contained in the above-referenced draft.

1. Attached hereto, is a paragraph drafted by Emily that does a much better job of describing the Administration's work in the area of civil rights than does the text at page 10.
2. At page 19, under "ACTION BY THE ADMINISTRATION", the date of transmittal of the Crime Package is incorrect. May 15 is the day the President proposed his Crime Package and should be so cited.
3. At page 32, I find the coupling of Ethics and Civil Rights as odd. Either they should be handled under different headings or, if there is not enough text to warrant it, the positions should be reversed. Civil Rights looks like it was thrown in as an afterthought.
4. I am checking some referenced Crime Package funding figures for you to ensure that they are correct.

# 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	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	<u>WINSTON</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**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:**

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

**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

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Bennett</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Boskin</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Petersmeyer</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Rogers</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Winston</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Pinkerton</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

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:

*See Comments 7/27/89  
Thanks for the extra time.  
Denise*

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

Justice - see attached.

Transportation -

Education -

Defense -

Energy -

Commerce - See Attached  
(Grant)

July 21, 1989

Draft two

A:sixmonth

Labor - See attached.

~~Treasury~~ - See Attached

Treasury

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 <sup>growth</sup> ~~the current~~ economic expansion continuing to <sup>create new jobs.</sup> ~~set new records.~~ 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

- o **Record expansion:** During the current economic expansion -- now in its <sup>80<sup>th</sup></sup> ~~79<sup>th</sup>~~ month as of June -- 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, and industrial output is nearly double that of

remains Low -- watch Current

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

(See Insert from Transportation #2.)

- o **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.
- o **Savings and Loans:** The <sup>President's</sup> Administration's proposal to solve the savings and loan crisis was passed by the House and Senate and is currently in conference. *The President's plan calls for tough capital standards for S & L's that will help ensure such a crisis never occurs again.*
- o **Third World debt:** The Administration has taken the lead in finding a way to reduce the debt burden <sup>and encourage economic growth in</sup> of developing countries. With the Administration's encouragement, the IMF and World Bank have set aside funds to aid debt reduction, *and Mexico and its commercial banks have negotiated a debt reduction transaction.*
- o **Capital gains tax cut:** The President has sent to the Congress a proposal which would re-establish a capital gains differential will *lower the cost of capital, create incentives* ~~encourage capital formation, saving, and~~ *for investment in the long-term productive capacity of* ~~job formation.~~ *American industry, make American firms more competitive internationally, and create new job opportunities.*
- o **Minimum wage:** The President, by vetoing the 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.

- o **International Trade:** The Bush Administration successfully broke a stalemate in <sup>the Uruguay Round of Multi lateral trade</sup> ~~international trade talks~~ and advanced <sup>negotiations</sup> 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.
- o *Steel VRA's: - see attached.*

#### SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

- o **"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.
- o **Poland and Hungary:** The President signalled his strong support for the people of 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.
- o **Economic Summit:** The unity of the industrial democracies was demonstrated at the Paris Economic Summit, as President Bush

took the lead in encouraging our allies to support Polish and Hungarian economic reforms, and to endorse the Administration's new approach to debt reduction in developing countries.

- o **"Beyond Containment":** The President has responded to great changes in the Soviet Union with his policy to move "beyond containment" by integrating the Soviet Union into the world order.
  
- o **Arms Control/NATO Summit:** In arms control, the pace of negotiations with the Soviet Union has accelerated, with new American initiatives on Conventional Forces in Europe (which the President unveiled at the NATO Summit), on banning chemical weapons, and on strategic arms reduction.
  
- o **Soviet Relations:** 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 require global cooperation, such as terrorism, the environment, and narcotics.
  
- o **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.

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

### INVESTING IN OUR FUTURE

- o **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 funding for endowments at Historically Black Colleges, and a National Science Scholars program.
- o **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 <sup>law</sup> will <sup>end.</sup> phase ~~out all federal price controls on natural gas.~~ <sup>by Jan 1, 1993.</sup>   
*nearby 4 decades of wellhead*
- o **Clean Air Act revisions:** On July 21, President Bush <sup>a comprehensive package of Amendments</sup> 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.

- o **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.
  
- o **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.
  
- o **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.
  
- o **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.

- o **Combatting Violent Crime:** President Bush transmitted to Congress **The Comprehensive 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.
- o **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. *The Administration has established fighting illegal drugs from abroad as a high priority national security mission of DOD.*
- o **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, providing support in enforcement, and providing assistance to local treatment efforts.
- o **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.
- o **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.
- o ✓ **Transportation:** Under Secretary Skinner administration has begun a public outreach effort to develop and deliver a national transportation policy to move America into the 21st Century.

WORKING FOR A KINDER, GENTLER AMERICA

- o **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 four, for low and moderate income working families. This legislation will make the existing Child and Dependent Care Tax Credit refundable, and does not discriminate against religious- and family-based child care.
  
- o **Head Start:** The President has also transmitted legislation to the Congress which would increase the FY 1990 authorization for Head Start by \$250 million; this will pay for enrollment of up to 95,000 more four-year-olds in the program.
  
- o **National Service:** The President spearheaded a movement to encourage national service, and announced the formation of a foundation called the **Points of Light Initiative** to identify, enlarge and recreate those community service initiatives which are working.
  
- o **Welfare Reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family

**Support Act of 1988**, as a step toward welfare reform. The Administration is proposing to spend \$3.3 billion over the next five years implementing the JOBS program. The changes will help reduce the number of individuals on welfare.

- o **Medicaid:** On April 18, the Administration forwarded to Congress proposed legislation to make federal Medicaid programs better serve pregnant women, infants and children.
  
- o **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.
  
- o **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.
  
- o **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.

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 very good, and the policies proposed by the Bush Administration are designed to preserve this strong record.

- o **Record peacetime expansion:** The current expansion reached <sup>80</sup>79 months in <sup>July</sup>June.
- o **Job creation:** Nearly 20 million new jobs have been created during this expansion, and the unemployment rate <sup>held firm.</sup> 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.
- o **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 -- the level of income after inflation which splits the family

# will change 7/27.

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

- o **Industrial output:** During this expansion, American industrial output has grown almost ~~41~~<sup>40</sup> percent compared with overall economic growth of 29 percent. This is almost double Europe's growth rate in industrial output.

(New # available tomorrow. 7/27)

- o **Higher national saving and investment:** During the first ~~eight~~<sup>nine</sup> months of ~~fiscal~~<sup>was</sup> year 1989, the Federal Government budget deficit ~~is~~ less than during the same period in the previous fiscal year. Partly due to the discipline of GRH, the Federal deficit has declined from ~~5.4~~<sup>6.3</sup> percent of GNP in fiscal year ~~1985~~<sup>1983</sup> to about 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 quarter of 1989.

may change 7/27

- o **Inflation under control:** Consumer price inflation ~~has~~<sup>has</sup> 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

During the first half of this year inflation accelerated slightly to just under 6%, but

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

ACTION BY THE ADMINISTRATION:

- o **Presenting a budget:** The President put forth a budget which 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.
  
- o **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 to ~~\$99.4~~ billion, as required by the Gramm-Rudman-Hollings law. *#100 in mid-session review* This is the first budget agreement reached before the start of the budget year and not framed in the context of crisis.
  
- o **Savings and Loan reform:** The <sup>President's</sup> ~~Administration's~~ proposal to solve the savings and loan crisis was passed by the House and Senate and is currently in conference. ~~The proposal included provisions to:~~

*Insert A - attached*

Insert A



Savings and Loan Recovery and Reform: The President proposed a plan for resolving the problems in the savings and loan industry in February. The President's plan establishes new organizations to set the policies and manage the resolution of insolvent thrift institutions and to provide sufficient funds to resolve the problem.

The President's plan will require the S&L industry to meet standards that will help ensure that such a crisis never occurs again. Its most important principle is the requirement that S&Ls meet the same capital requirements as national banks, so S&L owners will have to put their own money at risk ahead of the taxpayers'. The plan also requires that thrifts operate under the same accounting standards as commercial banks. And the plan gives regulators the tools to move quickly against any type of investment or other operating practices which they view as unsafe or unsound. Strengthen the financial position of the deposit insurance system by increasing the size of the deposit insurance funds and restricting high-risk activities of institutions that have insured deposits.

The President's plan also adds new enforcement authorities, and increases dramatically funding for law enforcement staff and prosecutions. Approximately \$75 million per year will be authorized for three years for the Justice Department to fund a new national program to search out financial institution fraud and penalties and sentencing requirements will be increased.

- Assure the financial integrity of deposit insurance by raising the annual premium rate for both commercial banks and S&Ls.
- Resolve the status of existing insolvent banks in an orderly fashion.
- Improve supervisory control by bringing S&Ls up to the same standards applied to commercial banks.
- Enhance the enforcement of bank fraud provisions.

- Replace w/ insert B*
- o **Solution of the international debt problem:** The Administration has taken the lead in finding a way to reduce the debt burden of developing countries. With the Administration's encouragement, the IMF and World Bank have set aside funds to aid debt reduction in conjunction with their ongoing programs to promote investment, growth, and the return of flight capital to these countries.

- Insert C.*
- 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 includes:
    - A 45 percent capital gains exclusion for qualified capital gains, making the maximum capital gains tax rate 15 percent.
    - A phased-in increase in the qualifying holding period from one year to three years.

Insert  
C



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, and create incentives for investment in the long-term productive capacity of American industry. Lower marginal tax rates for capital gains will stimulate investment, bringing more job opportunities for Americans. More efficient use of capital will lead to higher productivity -- the key to our nation's competitive position in the world economy. A lower capital gains rate is particularly helpful to small businesses, which create most of our new jobs. The President has sent to the Congress a proposal which includes:

- A 45 percent capital gains exclusion for qualified capital gains, <sup>OR A</sup> ~~making the maximum capital gains tax rate 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.

+ page 5

-- 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 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 vetoed the bill passed by Congress.
- o **International Trade:** The Administration is forcefully promoting the opening of world markets. It successfully broke a stalemate in international trade talks 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. Together these efforts should greatly expand opportunities for U.S. exports.
- 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.

- o **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:

- o **"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

as a triumph of Western values and principles. We welcome 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, the President proposed:

-- **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 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 the Polish private sector, and encourage the World Bank to move ahead with new loans to help Polish agriculture and industry. *as soon as the necessary reforms are underway.* 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 in the Paris Club~~ *an expedition.* to ~~provide more liberalized terms in~~ *of* rescheduling *of* Polish debt *in the Paris Club.*

-- **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 the Hungarian Parliament, the President will inform Congress that Hungary has been released from the restrictions of the Jackson-Vanik Amendments, allowing *greater security of* ~~more liberal~~ access to the American market. The President also *called for consideration of designating Hungary as a beneficial under* ~~offered access to~~ the Generalized System of Preferences. He called for 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 President's successful effort at the Paris Economic Summit was to promote concerted actions in areas of mutual concern among the industrial democracies: ~~The unity of the industrial democracies was demonstrated, as they dealt with a variety of issues from the economy; to East-West strategies; to~~

The Summit endorsed U.S. objectives and initiatives and initiatives in each of these areas, including, in particular, the strengthened debt strategy, the economic policy coordination process, and creation of a special task force to combat money laundering.

global environmental <sup>issues</sup>. 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 require global cooperation, such as terrorism, the environment, and narcotics.

- In arms control, the pace of negotiations has accelerated, with new American initiatives on Conventional Forces in Europe (which the President unveiled at the NATO Summit), on banning chemical weapons, and on strategic arms reduction.
  
- 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 signal that we cannot condone repression, but also to preserve the basic elements of a 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 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 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 real democratic 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 the Middle East parties in efforts to launch a peace process. Our approach is based on the concept of Palestinian elections in the occupied territories, which we believe can be a step toward a comprehensive peace settlement that assures Israel's security and the legitimate political rights of the Palestinians.

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:~~

Insert B

Bates



- o Initiative on Third World Debt: The Administration has taken the lead in encouraging commercial banks to reduce the debt and debt service burdens of developing countries, as a complement to new lending. This approach has received broad international support. <sup>AT</sup> With the Administration's <sup>urgency</sup> encouragement, the IMF and World Bank have <sup>✓</sup> agreed to provide <sup>✓</sup> support for debt and debt service reduction in conjunction with debtor <sup>✓</sup> programs to promote investment, growth, and the return of flight capital to these countries. The recent Mexican agreement with its major commercial creditors is the first practical application of this strengthened debt strategy. ~~An historic turning point for Mexico, it will provide important support for ongoing efforts by Mexico to reform its economy and enhance growth, while also benefitting the U.S. economy through increased exports.~~

- ~~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.~~

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

*rewrite =  
see attached*

- 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 *counter terrorism + Aviation Security:*

### 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** -

*?  
Placement  
or keeping  
economy  
strong-*

- 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 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 <sup>are making</sup> ~~have made~~ 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 with Interior Secretary Lujan, Energy Secretary Watkins, and EPA Administrator Reilly, <sup>Transportation Secretary Skinner,</sup> on a number of fronts.

ACTION BY THE ADMINISTRATION:

- o **Natural Gas Decontrol:** On July 26, the President signed into law the **Wellhead Decontrol Act of 1989**, ~~which ends all remaining price controls on natural gas.~~ *This law will end nearly 4 decades of well head. This will phase out all federal price controls on natural gas. by Jan 1, 1993.* *This leads to greater use of this cleaner fuel and reduce reliance on more environmentally damaging fuels.*
  - o **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~~ *Substantive* and is designed to curb three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions, *and does so, in part, through the use of some innovative approaches.*
    - **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. The federal measures alone will cut hydrocarbon emissions -- which contribute to urban ozone -- virtually in half.
- a comprehensive package of amendments to the Clean Air Act.*

Currently, 81 cities don't meet Federal air quality standards. This legislation will bring clean air to all but 25 cities by 1995 -- 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 <sup>2004</sup> 2007.

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. <sup>emissions.</sup> These reforms <sup>President's plan.</sup> 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.

- o **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 <sup>necessary to clean up the spill</sup> ~~for paying for the cleanup, and under the coordination of the United States Coast Guard. 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 comprehensive oil spill liability bill, to XXX (call Transportation)

- ~~Submission of Comprehensive Oil Spill Liability Legislation:~~
- ~~Exxon:~~

- o **Cleaning up hazardous wastes:** The President announced he will be seeking new legislation to give the United States Government authority to ban all exports of hazardous waste except where an agreement exists with the receiving country providing for the safe handling and management of those wastes.

*Should not be highlighted.*

*This should be lead. ←  
"Oil Spill"*

*change →*

*See Insert #1 from Transportation*



- o Also, Secretary of Energy Watkins has put forth a plan of action to identify and prioritize clean up of defense and civilian radioactive waste. *This plan reflects the direction in which the President wants the Dept. of Energy to move to meet the security needs of our nation while complying*
- o **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. *with all Federal + state Environ Safety and health laws.*  
EPA is also now finishing a priority review of Superfund to improve its operation.
- o **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.
- o **Clean water and coastlines:** 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.

- o **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.

*Insert D.*

#### COMBATTING VIOLENT CRIME

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

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

#### ACTION BY THE ADMINISTRATION:

- o On May 15, 1989, President Bush transmitted to Congress The Comprehensive Crime Control Act of 1989, ~~to combat violent crime.~~ Elements of the legislation include:

*announced a comprehensive program to combat violent crime. To achieve the objectives of his program, the President*

*The President's initiative includes the following elements:*

Insert D

In addition to these actions at home, the President is supporting strongly a broadly based multinational approach to Intergovernmental Panel on Climate Change. This body, representing both developed and developing nations, is hard at work assessing the scope of the problem and possible responses in a global context.

- **Strengthening Current Laws:** The President is calling on Congress to <sup>enhance the criminal penalties for firearms offenses.</sup> double the mandatory minimum penalties -- from five years to ten years in Federal prison -- <sup>In particular the President proposed to</sup> 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~~ <sup>make</sup> would ~~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; <sup>the President</sup> he also called for the closing of loopholes which allow access to <sup>and he</sup> 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.

The Administration took action to ban permanently the importation of semi-automatic assault rifles on July 7, 1989.

- **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. 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, ~~rehabilitation,~~ <sup>treatment</sup> 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 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. (check #)
- o **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.
- o **Interdiction and enforcement:** The Administration is proposing over \$4.1 billion for law enforcement programs in 1990, a 10 percent increase over 1989. This constitutes about 70 percent of President Bush's proposed drug budget. ✓

- may want to cite programs.
  - Coast Guard
  - Customs.

watch the 70/30 ratio in relation to H71 actions.

Substantial increases are requested in funding to strengthen inspection, interdiction, intelligence efforts and crop eradication programs, such as Operation Polar 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. *Same Sentence as page*

*7 of Intro.*

- o **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.

- 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, providing FBI support in enforcement, and providing the assistance of the National Institute on Drug Abuse to local treatment efforts. The Department of Education will provide the District with 50 percent more funds for drug prevention programs in city schools. The Department of Labor will provide support for employee assistance programs and work with the business community to increase job training for youth.

Not a  
New  
initiative

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:

- o **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 four, for low and moderate income working families.
  - Makes the existing Child and Dependent Care Tax Credit refundable.
  - Does not discriminate against religious- and family-based child care.
  
- o The President has directed Secretary of Labor Dole to study the market for liability insurance to determine if liability issues impair child care.
  
- o **Head Start:** The President has also transmitted legislation to the Congress which would increase the FY 1990 authorization for Head Start by \$250 million; this will pay for enrollment of up to 95,000 more four-year-olds in the program.

NATIONAL SERVICE

The President's strategy for overcoming the disintegration of communities across America -- not through a federal government program, but a nationwide service movement -- has three facets: First, to issue a call to action; 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 **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 be a magnet for the best ideas and brightest programs in community service. 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:

- 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 Administration is committed to health care for the disadvantaged, calling 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.

#### 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 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 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.

- o **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.
  
- o **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 --

*Should  
not be  
last.*

strictly, comprehensively, fairly, and to the letter and spirit of the law.

ACTION BY THE ADMINISTRATION:

- o **Campaign Finance Reform:** The President's comprehensive campaign finance 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 April 12th 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.

- **Prohibition of the conversion of political contributions** for personal or office use.
- **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 also apply to the legislative branch.
- **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.**
- The extension of the **Independent Counsel statute to cover the Congress.**
- 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.

- 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.
  - On March 8, the Department of Justice endorsed the objectives of the Hate Crimes Bill 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.

# # #

## HEALTH - ADD NEW SECTION

### o AIDS Initiatives

#### -- AIDS Clinical Trials Information Service

The Administration <sup>developed</sup> ~~announced the completion of~~ computerized listings through which AIDS patients and their doctors can get up-to-date information on clinical trials of AIDS drugs and vaccines -- whether federally or privately sponsored.

The Public Health Service ~~AIDS Clinical Trials Information Service~~ is designed to provide greater access to information about the trials underway to test the efficacy of proposed treatments for AIDS and related conditions.

#### Experimental AIDS Drugs

The Administration <sup>experimental</sup> ~~unveiled a proposal to allow wider availability of therapeutic drugs used to treat people with AIDS. This proposal will make experimental drugs more widely available to AIDS patients before these drugs go through the more lengthy FDA approval process now in place.~~

#### 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. The guide, a new publication developed by HHS' Centers for Disease Control, is designed to help parents and other concerned adults talk with young people about AIDS. It is the centerpiece of the federal government's new public information campaign targeting parents and youth.

#### \$5 Million Transferred to States - AIDS Treatment

The Administration transferred \$5 million from currently appropriated AIDS funds ~~to provide more support to States to assist needy individuals in the purchase of treatment drugs for AIDS and related conditions. The transferred funds are directed to the States where the need for funds is greatest. The funds will be available to the States through September 30, 1989.~~

THE WHITE HOUSE  
WASHINGTON

July 26, 1989

MEMORANDUM FOR BRAD MITCHELL

FROM:

NANCY A. MALOLEY

*NAM*

SUBJECT:

Attached Draft from Chris Winston

I have made some handwritten changes to both texts on pp. 5, 6, 15, 16, 18, and 19.

I also have included an attachment with some additional items. It is attached to this memo.

Attachments

ATTACHMENT

- **Ban on African Elephant Ivory:** On June 9, the Administration announced a ban on importation of African elephant ivory into the United States. Under the ban, importation of African elephant ivory from any country is illegal and includes both commercial and non-commercial shipments. Seized goods could subject a traveller to \$5000 fines.

- **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). ~~EPA estimates asbestos is responsible for 3000 to 12,000 cancer deaths each year. The action comes after over a decade of proposed rulemaking and data analysis on effects of asbestos and its uses.~~

*P. 19  
after  
weekend*

- **Budgetary Initiatives:**

- Increase in global environmental research for FY 1990 of 40 percent or \$190 million.
- \$710 million in FY 1990 for Clean Coal Technology Program to encourage development of new technologies to reduce SO<sub>2</sub> and NO<sub>x</sub>.
- \$200 million for the expansion of national parks. ✓

- **National Energy Plan:** On July 26, the President asked Secretary of Energy Watkins to formally undertake the development of a national energy plan.

*P 6  
top.*



## U.S. Department of Justice

## Office of Public Affairs



Office of the Director

Washington, D.C. 20530

**MEMORANDUM**

TO: Denise Schwartz, White House Cabinet Affairs

FROM: Deborah Burstion-Wade, Deputy Director

DATE: July 26, 1989

Please add these to your six-month list for DOJ as indicative of Civil Rights enforcement under Attorney General Dick Thornburgh's tenure during the Bush Administration:

-- On July 12 the Department filed an appellate brief in the Fourth Circuit supporting the federal minority set asides program. The case, Joe Carpenter, et al., v Samuel K. Skinner, Secretary of Transportation, et al., argued in favor of the 10 percent minority set aside program operated by DOT, where the contractor used the Richmond (Croson) decision as his defense. (see attached)

-- The Department of Justice filed a lawsuit on June 20 against the city of Chicago Heights, Illinois, alleging that it violated the Fair Housing Act by denying a special use permit for the construction of a home for 15 mentally retarded adults. This was the first lawsuit ever brought by the Justice Department alleging housing discrimination against the handicapped. Such discrimination was made illegal by the Fair Housing Amendments Act, which was signed into law in Sept. 1988 and became effective March 12.

-- On May 30 the Department, under a different part of the amended Fair Housing Act, signed a consent order with the owners and managers of a New Jersey apartment complex resolving a complaint that they discriminated in the rental of dwellings based on familial status. That consent order, the first settlement of this type, in addition to imposing an injunction, requires monetary payments totaling \$33,000 to the victims of the alleged discrimination. The lawsuit was the first to be brought by the Department alleging discriminations against families with

(MORE)

- 2 -

children in violation of the recent Fair Housing amendments. Other suits have been filed and more are in the works.

You may want to add this:

-- The July 3 Supreme Court decision in the case of William L. Webster, et al. v Reproductive Health Services, et al. was welcomed by the Attorney General, even though it didn't overturn Roe, because it recognized an increased role for state legislatures in regulating abortions and establishing appropriate limitations.

From Defense:

to be put 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.

ADDITIONAL HEALTH INITIATIVES

o Misconduct in Science

The Administration announced the establishment of two offices within the United States Public Health Service to strengthen its ability to deal with scientific misconduct. These steps were taken to further safeguard the integrity of federally funded scientific research and the public trust. The new offices expands capacity to investigate allegations of misconduct in science in a thorough, professional and timely manner.

o Human Genome Initiative

The Administration established a committee to advise on the NIH research initiative to map and sequence the human genome. The President's budget for 1990 includes approximately \$100 million earmarked for this project. Gene mapping, the process of determining the locations of genes on chromosomes, helps scientists understand inherited disorders and may lead to new ways to diagnose, treat and prevent such disorders.

DRUGS

- o The Administration added \$75 million to grants to help drug treatment facilities expand service to reduce or eliminate waiting lists for drug treatment. Grant funds will be made available to public and non-profit private organizations currently providing out-patient or residential drug treatment services that have applicants who have been waiting for more than a month. A State government or a federally recognized Indian tribe may also apply.

PROMOTING SELF-SUFFICIENCY FOR DISABLED PERSONS  
(ADD NEW SECTION)

- o The Secretary of HHS has proposed increasing by two-thirds the amount an individual can earn and still receive benefits from the Federal government's disability insurance and supplemental security income programs. This increase -- from \$300 to \$500 per month -- will provide an incentive for the 2.8 million workers on the disability roles to take significant steps toward work and economic independence.