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Subseries: Chron File, 1989-1993

OA/ID Number: 13518
Folder ID Number: 13518-005

Folder Title:
1990 Agenda Talking Points 1/30/90 [OA 4391]

Stack:	Row:	Section:	Shelf:	Position:
G	25	6	7	3

THE WHITE HOUSE
WASHINGTON

January 30, 1990

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS

FROM: NELSON LUND *NL*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: 1990 Agenda Talking Points

Counsel's office has reviewed the above-referenced talking points. As we informed your office today, we have no legal objections.

Thank you for the opportunity to review this matter.

cc: James W. Cicconi

89 : 6 v 1 E N A C 06
90 JAN 31 4 9 : 53

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/29/90 ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01/30/90

SUBJECT: 1990 AGENDA TALKING POINTS

	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"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DELAND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/31, with a copy to my office. Thanks.

RESPONSE:

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

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include:

29 JAN 29 PM 7:19

1. Economy

* The President's plan calls for a balanced federal budget by the year 1993, and includes a proposal to begin paying off the national debt.

* He'll push to maintain our economic strength by encouraging increased investment and productivity, and reduce the deficit with no new taxes.

* The President will work to reduce tax rates for capital gains and create a new tax exempt Family Savings Account to encourage individual savings.

2. Social Security

* The President has pledged he will not jeopardize the integrity of the Social Security system.

3. Education

* The budget request for education is the highest ever proposed, including a half billion dollar increase for the Head Start program.

* Agreement was reached at the President's historic education summit with the nation's governor's to establish unified goals for education, which the President will announce in his State of the Union speech.

* Enacting the provisions of the President's Educational Excellence Act is a top priority.

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs.

5. Drugs

* The President's \$10.5 billion dollar national drug strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment and prevention, interdiction and law enforcement.

* The second phase of his drug strategy calls for tougher laws and the death penalty for drug kingpins. The President has also singled out five areas as designated high intensity drug zones.

Highlights of the President's 1990 Agenda - Page Two

6. Environment

* Enacting tough new Clean Air requirements to reduce acid rain, urban smog and air pollution are among the President's chief priorities. He wants to elevate the Environmental Protection Agency to Cabinet level status.

* His "America the Beautiful" initiative expands federal parkland, creates additional wildlife refuges, and establishes a new reforestation program that calls for the planting of more than a billion new trees.

7. Housing

* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or drug or alcohol abusers.

* The President's HOPE project sets out a comprehensive new housing and urban development agenda. It will help low income families become homeowners and increase housing opportunities for other low income families. Enterprise zones will help revitalize distressed low income communities.

8. Competitiveness

* Tort Reform, an expanded budget for Space exploration, record high budget proposals for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to make sure America is competitive in the world.

9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To help preserve our national security and advance America's interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative and the Stealth Bomber.

10. Thousand Points of Light

* Through his Thousand Points of Light campaign, the President has promoted community service in America and encouraged Americans to give of their time and effort to help others in need.

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VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	✓ <u>MCCLURE</u> <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	✓ PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>BOSKIN</i> ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	✓ <u>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	✓ <u>BENNETT</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>GRAY</u> <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	✓ <u>DELAND</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	✓ BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			✓ <u>PETERSMEYER</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/31, with a copy to my office. Thanks.

RESPONSE:

90 JAN 30 4:33

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

DRAFT

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89-00:29 PM 7:19

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- * He'll push to maintain our economic strength by encouraging increased investment and productivity, and reduce the deficit with no new taxes.
- * The President will work to reduce tax rates for capital gains and create a new tax exempt Family Savings Account to encourage individual savings.

2. Social Security

- * The President has pledged he will not jeopardize the integrity of the Social Security system.

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- * Agreement was reached at the President's historic education summit with the nation's governor's to establish unified goals for education, which the President will announce in his State of the Union speech.
- * Enacting the provisions of the President's Educational Excellence Act is a top priority.

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- * The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs.

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Highlights of the President's 1990 Agenda - Page Two

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WHITE HOUSE STAFFING MEMORANDUM

0724

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RESPONSE:

January 30, 1990

TO: CHRISS WINSTON

NSC clears the 1990 agenda highlights with the changes annotated and the addition of items 11 and 12.


Brent Scowcroft

cc: James W. Cicconi

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

Not only domestic

DRAFT

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29 PM 7:19



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* Agreement was reached at the President's historic education summit with the nation's governor's to establish unified goals for education, which the President will announce in his State of the Union speech.

* Enacting the provisions of the President's Educational Excellence Act is a top priority.

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs.

5. Drugs

* The President's \$10.5 billion dollar national drug strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment and prevention, interdiction and law enforcement.

* The second phase of his drug strategy calls for tougher laws and the death penalty for drug kingpins. The President has also singled out five areas as designated high intensity drug zones.

6. Environment

* Enacting tough new Clean Air requirements to reduce acid rain, urban smog and air pollution are among the President's chief priorities. He wants to elevate the Environmental Protection Agency to Cabinet level status.

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9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To ^{meet the continuing requirements of nuclear deterrence,} ~~help preserve our national security and advance America's~~ ^{Strategic Modernization} interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative, ~~and~~ the Stealth Bomber, ^{and ICBM modernization.}

10. Thousand Points of Light

* Through his Thousand Points of Light campaign, the President has promoted community service in America and encouraged Americans to give of their time and effort to help others in need.

INSERT →
(attached)

11. Eastern Europe

* To support the new forces of freedom now spreading throughout Eastern Europe, the President is committing an additional \$300 million in FY91, as part of a comprehensive strategy of U.S. engagement in the region.

12. Foreign Affairs

* To maintain American leadership in the world in an era of change, there is a new premium on political and economic tools -- such as development, security, and humanitarian assistance -- which the President has proposed to increase substantially in the new budget.

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include:

29 JAN 29 PM 7:19

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6. Environment

The President supports enactment this year of

* ~~Enacting~~ tough new Clean Air requirements to reduce acid rain, urban smog and air pollution ~~are among the President's chief priorities.~~ He ~~wants~~ to elevate the Environmental Protection Agency to Cabinet level status.

ion of

world

and his budget provides a major increase in EPA's operating budget.

* His "America the Beautiful" initiative expands federal parkland, creates additional wildlife refuges, and establishes a new reforestation program that calls for the planting of more than a billion new trees.

* *The President has also called for a \$1 billion global change*

7. Housing

research program, a \$3.4 billion increase to clean up waste at Federal facilities, and a 15% increase for Superfund.

forests and other public lands.

* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or drug or alcohol abusers.

* The President's HOPE project sets out a comprehensive new housing and urban development agenda. It will help low income families become homeowners and increase housing opportunities for other low income families. Enterprise zones will help revitalize distressed low income communities.

8. Competitiveness

a 24% increase

programs

Major program change

* Tort Reform, an ~~expanded budget~~ for Space exploration, record high budget proposals for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to make sure America is competitive in the world.

totalling \$71 billion

9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To help preserve our national security and advance America's interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative and the Stealth Bomber.

10. Thousand Points of Light

* Through his Thousand Points of Light campaign, the President has promoted community service in America and encouraged Americans to give of their time and effort to help others in need.

HIGHLIGHTS OF PRESIDENT BUSH'S 1990 DOMESTIC AGENDA

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, 1990, include:

1. Economy

- * The President's plan calls for a balanced federal budget by fiscal year 1993, and includes a proposal to then begin paying off the national debt.
- * He'll push to maintain our economic strength by encouraging increased investment and productivity, and reducing the deficit with no new taxes.
- * As part of his Savings and Economic Growth Act, the President will work to reduce tax rates for capital gains, create a new tax-exempt Family Savings Account to encourage individual savings, and modify the rules for IRAs to permit first-time home buyers to withdraw up to \$10,000 without penalty.

2. Social Security

- * The President has pledged he will maintain the integrity of the Social Security system.

3. Education

- * Agreement was reached at the historic President's Education Summit with the Governors to establish national education goals. The President will announce ^{these} the goals in his State of the Union address, and they will be extended and presented to the Nation's Governors at the February Governor's Conference.
- * The budget request for education is the highest ever proposed. So, too, is the half billion dollar increase requested for the Head Start program.
- * The President has made the enactment his Educational Excellence Act is a top priority.

Highlights of the President's 1990 Agenda
Page Two

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to allow low income parents - not the government - decide what sort of child care best suits their needs.

5. Drugs

* The President's \$10.6 billion National Drug Control Strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment, education, law enforcement, interdiction, research, and cooperative international initiatives.

* The second phase of his drug strategy calls for expansions in Federal Law enforcement personnel, support for 75 additional Federal judgeships, increased drug treatment services and research, comprehensive community prevention programs, the creation of a national drug intelligence center, and expanding the death penalty for drug kingpins. The President has also designated five areas as high intensity drug trafficking zones.

6. Environment

The President supports enactment this year of a

* Enacting tough new Clean Air requirements to reduce acid rain, urban smog and air pollution in a cost effective manner are among the President's chief priorities. He has endorsed elevating the Environmental Protection Agency to Cabinet level status.

* His "America the Beautiful" initiative expands federal parkland, ~~creates additional~~ wildlife refuges, ~~restores existing~~ parks, and establishes a new reforestation program that calls for the planting of more than one billion new trees.

7. Housing

* The President has again proposed total funding for the "McKinney Act" homeless assistance programs, ~~which have been underfunded for the past three years.~~

* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or drug or alcohol abusers.

substance

has proposed a major expansion in EPA's operating budget

would forests and other public lands

Highlights of the President's 1990 Agenda
Page Three

* The President's HOPE project sets out a comprehensive new housing and urban development agenda. It will help low income families become homeowners and increase housing opportunities for other low-income families. Enterprise zones will help revitalize distressed low-income communities.

8. ^{Investing in the Future and} Competitiveness \$71 billion

* Product/Liability reform, an expanded budget for Space programs, record high budget proposals for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to increase America's competitiveness in the world. *Amundson*

9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To help preserve our national security and advance America's interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative and the Stealth Bomber.

10. ^{The} Points of Light Initiative

* Through his "Points of Light" initiative, the President aims to engage every individual, family, corporation, firm, union, school, place of worship, club, group and organization in America ~~in direct and consequential action to solve~~ ^{to help} community problems.

11. Research and Development

* The budget proposes to allocate a record high \$71 billion for research and development. Major initiatives include doubling the National Science Foundation budget, developing the Superconducting Super Collider, building Space Station Freedom, understanding Global Environment and Change, and preparing for manned exploration of the Moon and Mars.

THE WHITE HOUSE
WASHINGTON

HIGHLIGHTS OF PRESIDENT BUSH'S 1990 DOMESTIC AGENDA

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Highlights of the President's 1990 Agenda
Page Two

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6. Environment

* The President supports enactment this year of tough new Clean Air requirements to reduce acid rain, urban smog and air pollution in a cost effective manner. He has endorsed elevating the Environmental Protection Agency to Cabinet level status and has proposed a major increase in EPAs operating budget.

This year's budget provides over 2 billion new spending to protect the environment - over one billion for global change research.

* His "America the Beautiful" initiative would expand federal parkland, wildlife refuges, forests and other public lands; and establishes a new reforestation program that calls for the planting of more than one billion new trees *a year.*

7. Housing

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* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or substance abusers.

Highlights of the President's 1990 Agenda
Page Three

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8. Investing in the Future and Competitiveness

* Product Liability reform, an expanded budget for Space programs such as the space station Freedom and preparing for manned exploration of the Moon and Mars, a record high \$71 billion budget proposal for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to increase America's competitiveness in the world.

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Action: MM, MR, BB, H, D, V, S, C
 Please look at sections relevant
 to your area.

Document No. 108647

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/29/90 ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01/30/90

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BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	DELAND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/31, with a copy to my office. Thanks.

RESPONSE: *Additional Comment on housing Action added.*

90 JAN 30 P 2: 36

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

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include:

JAN 29 PM 7:19

1. Economy

* The President's plan calls for a balanced federal budget by the year 1993, and includes a proposal to begin paying off the national debt.

* He'll push to maintain our economic strength by encouraging increased investment and productivity, and reduce the deficit with no new taxes.

* The President will work to reduce tax rates for capital gains and create a new tax exempt Family Savings Account to encourage individual savings.

2. Social Security

* The President has pledged he will not ~~jeopardize~~ the integrity of the Social Security system.

~~jeopardize~~
ste

3. Education

* The budget request for education is the highest ever proposed, including a half billion dollar increase for the Head Start program.

* Agreement was reached at the President's historic education summit with the nation's governor's to establish unified goals for education, which the President will announce in his State of the Union speech.

* Enacting the provisions of the President's Educational Excellence Act is a top priority.

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs.

5. Drugs

* The President's \$10.5 billion dollar national drug strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment and prevention, interdiction and law enforcement.

* The second phase of his drug strategy calls for tougher laws and the death penalty for drug kingpins. The President has also singled out five areas as designated high intensity drug zones.

6. Environment

in a cost effective manner

* Enacting tough new Clean Air requirements to reduce acid rain, urban smog and air pollution are among the President's chief priorities. He wants to elevate the Environmental Protection Agency to Cabinet level status.

* His "America the Beautiful" initiative expands federal parkland, creates additional wildlife refuges, and establishes a new reforestation program that calls for the planting of more than a billion new trees.

7. Housing

* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or drug or alcohol abusers.

The President has also proposed full funding for the McKinney Act for homeless assistance which has been underfunded for the past 3 years.

* The President's HOPE project sets out a comprehensive new housing and urban development agenda. It will help low income families become homeowners and increase housing opportunities for other low income families. Enterprise zones will help revitalize distressed low income communities.

8. Competitiveness

* Tort Reform, an expanded budget for Space exploration, record high budget proposals for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to make sure America is competitive in the world.

9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To help preserve our national security and advance America's interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative and the Stealth Bomber.

10. Thousand Points of Light

* Through his Thousand Points of Light campaign, the President has promoted community service in America and encouraged Americans to give of their time and effort to help others in need.

THE WHITE HOUSE

WASHINGTON

January 30, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM:

JIM PINKERTON

SUBJECT:

1990 Agenda Draft Talking Points

Under "1. Economy," bullet three: "The President will work to reduce tax rates for capital gains and create a new tax exempt Family Savings Account to encourage individual savings."

We suggest adding a reference to the IRA provision for first-time home buyers:

"As a part of his Savings and Economic Growth Act, the President will work to reduce tax rates for capital gains, create a new tax exempt Family Savings Account to encourage individual savings, and modify the rules for IRAs to permit first-time home buyers to withdraw up to \$10,000 without penalty." ✓

Under "2. Social Security," bullet one: "The President has pledged he will not jeopardize the integrity of the Social Security system."

Instead of making the point in the negative: "not jeopardize," we suggest making it positively, e.g., "...he will maintain the integrity..." ✓

Under "3. Education," bullet one: "The budget request for education is the highest ever proposed...." ✓

Because the President has repeatedly made the point that we must stop thinking about education reform as primarily a matter of spending, it makes sense to move this bullet to, say, below the Education Summit bullet.

Under "3. Education," bullet two: "Agreement was reached at the...education summit..."

We suggest rephrasing in the active voice: "At the historic Education Summit in Charlottesville, the President agreed with the Governors to establish unified national goals for education." ✓

(more)

tThe President will announce these goals in his State of the Union.

Under "3. Education," bullet three: "Enacting the provisions of the President's Educational Excellence Act is a top priority."

We suggest rephrasing thus: "The President has made the enactment of his Educational Excellence Act a top priority."

Under "8. Competitiveness," bullet one: "...are all part of the President's plan to make sure America is competitive in the world."

We suggest: "...are all part of the President's plan to increase America's competitiveness in the world." The "R" in "Tort Reform" should be lower case.

###

WHITE HOUSE STAFFING MEMORANDUM



1990 JAN 30 PM 1:33

DATE: 01/29/90

ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01/30/90

SUBJECT: 1990 AGENDA TALKING POINTS

	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"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMEYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DELAND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/31, with a copy to my office. Thanks.

RESPONSE:

There should be a separate additional section on science and technology. Include a possible version - Allan

80 JAN 30 PM 1:44
James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

D. Allan Bromley
Director, OSTP

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include:

29 PM 7:19

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* The President's plan calls for a balanced federal budget by the year 1993, and includes a proposal to begin paying off the national debt.

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* The President will work to reduce tax rates for capital gains and create a new tax exempt Family Savings Account to encourage individual savings.

2. Social Security

* The President has pledged he will not jeopardize the integrity of the Social Security system.

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* Enacting the provisions of the President's Educational Excellence Act is a top priority.

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs.

5. Drugs

* The President's \$10.5 billion dollar national drug strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment and prevention, interdiction and law enforcement.

* The second phase of his drug strategy calls for tougher laws and the death penalty for drug kingpins. The President has also singled out five areas as designated high intensity drug zones.

Insert
A →

6. Environment

* Enacting tough new Clean Air requirements to reduce acid rain, urban smog and air pollution are among the President's chief priorities. He wants to elevate the Environmental Protection Agency to Cabinet level status.

* His "America the Beautiful" initiative expands federal parkland, creates additional wildlife refuges, and establishes a new reforestation program that calls for the planting of more than a billion new trees.

7. Housing

* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or drug or alcohol abusers.

* The President's HOPE project sets out a comprehensive new housing and urban development agenda. It will help low income families become homeowners and increase housing opportunities for other low income families. Enterprise zones will help revitalize distressed low income communities.

8. Competitiveness

* Tort Reform, an expanded budget for Space ^{PROGRAMS} exploration, record high budget proposals for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to make sure America is competitive in the world.

9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To help preserve our national security and advance America's interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative and the Stealth Bomber.

10. Thousand Points of Light

* Through his Thousand Points of Light campaign, the President has promoted community service in America and encouraged Americans to give of their time and effort to help others in need.

A
INSERTA PRESIDENT BUSH'S DOMESTIC AGENDA FOR 1990

Research and Development

* The budget proposes to allocate a record high \$71 billion for research and development. Major initiatives include doubling the NSF budget, developing the Superconducting Super Collider, building Space Station Freedom, understanding Global Environment and Change, and preparing for manned exploration of the Moon and Mars.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/29/90

ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01/30/90

SUBJECT: 1990 AGENDA TALKING POINTS

	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"/>
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HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/31, with a copy to my office. Thanks.

RESPONSE:

N/c 1/30/90

87 : 3 P 03 JAN 30 88

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

THE WHITE HOUSE

WASHINGTON

January 30, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*

SUBJECT: 1990 Agenda Talking Points

We have carefully reviewed the talking points and urge the comments indicated on the attached draft be incorporated.

If you have any questions or we can help in any other way, please let me know.

cc: James W. Cicconi

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/29/90 ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01/30/90

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VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/31, with a copy to my office. Thanks.

RESPONSE:

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

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include:

29 PM 7:19

1. Economy

then

* The President's plan calls for a balanced federal budget by the year 1993, and includes a proposal to begin paying off the national debt. ✓

* He'll push to maintain our economic strength by encouraging increased investment and productivity, and ~~reduce~~ the deficit with no new taxes. ✓

REDUCING

* The President will work to reduce tax rates for capital gains and create a new tax exempt Family Savings Account to encourage individual savings.

2. Social Security

* The President has pledged he will not jeopardize the integrity of the Social Security system.

3. Education

THE PRESIDENT IS ALSO PROPOSING

* The budget request for education is the highest ever proposed, including a half-billion dollar increase for the Head Start program.

* Agreement was reached at the President's historic education summit with the nation's governor's to establish unified goals for education, which the President will announce in his State of the Union speech.

NATIONAL EDUCATION

AND ADOPTED BY THE NATION'S GOVERNORS AT THE END OF FEBRUARY, AND THEY WILL BE EXTENDED 8

the goals GOVERNORS' CONFERENCE

* Enacting the provisions of the President's Educational Excellence Act is a top priority.

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs. ✓

5. Drugs

* The President's \$10.5 billion dollar national drug strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment and prevention, interdiction and law enforcement.

* The second phase of his drug strategy calls for tougher laws and the death penalty for drug kingpins. The President has also singled out five areas as designated high intensity drug zones.

6. Environment

* Enacting tough new Clean Air requirements to reduce acid rain, urban smog and air pollution are among the President's chief priorities. He ~~wants to elevate~~ the Environmental Protection Agency to Cabinet/level status. ✓

HAS ENDORSED ELEVATING

* His "America the Beautiful" initiative expands federal parkland, creates additional wildlife refuges, and ~~a~~ establishes a new reforestation program that calls for the planting of more than a billion new trees. ✓

RESTORES EXISTING PARKS

7. Housing

* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or drug or alcohol abusers.

* The President's HOPE project sets out a comprehensive new housing and urban development agenda. It will help low income families become homeowners and increase housing opportunities for other low income families. Enterprise zones will help revitalize distressed low income communities.

8. Competitiveness

✓ * ~~Trade~~ Reform, an expanded budget for Space exploration, record high budget proposals for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to ~~make sure~~ America is ~~competitive~~ ~~in the world~~.
PRODUCT LIABILITY

ENSURE THAT

GLOBALLY COMPETITIVE.

9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To help preserve our national security and advance America's interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative and the Stealth Bomber.

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* Through his Thousand Points of Light campaign, the President has promoted community service in America and encouraged Americans to give of their time and effort to help others in need.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/29/90 ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01/30/90


SUBJECT: 1990 AGENDA TALKING POINTS

	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"/>
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CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DELAND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/30, with a copy to my office. Thanks.

RESPONSE:

*Chriss - CEQ concurs w/
environmental portion.
[p. 2, part 6]*


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

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include: 29 PM 7:19

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Document No. 108647

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/29/90 ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01/30/90

SUBJECT: 1990 AGENDA TALKING POINTS

	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"/>
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BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DELAND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/31, with a copy to my office. Thanks.

RESPONSE:

No comment

87 : 11v 06 JAN 30 90

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



OFFICE OF NATIONAL DRUG CONTROL POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
Washington, D.C. 20500

January 30, 1990

TO: Chriss Winston
FROM: Daniel Casse *Dac*
SUBJECT: Draft Highlights of the President's 1990 Domestic
Agenda
Point 5: Drugs

Here are some suggested revisions for the two points under the heading of drugs:

* The President's \$10.6 billion National Drug Control Strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment, education, law enforcement, interdiction, research, and cooperative international initiatives.

* The second phase of his strategy calls for expansions in Federal law enforcement personnel, support for 75 additional Federal judgeships, increased drug treatment services and research, comprehensive community prevention programs, the creation of a national drug intelligence center, and the death penalty for three categories of drug-related crimes. The President has also designated five areas as high intensity drug trafficking areas.

37 JAN 30 12:37

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include:

29 PM 7:19

1. Economy

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* The President will work to reduce tax rates for capital gains and create a new tax exempt Family Savings Account to encourage individual savings.

2. Social Security

* The President has pledged he will not jeopardize the integrity of the Social Security system.

3. Education

* The budget request for education is the highest ever proposed, including a half billion dollar increase for the Head Start program.

* Agreement was reached at the President's historic education summit with the nation's governor's to establish unified goals for education, which the President will announce in his State of the Union speech.

* Enacting the provisions of the President's Educational Excellence Act is a top priority.

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs.

5. DRUGS

* The President's \$10.5 billion dollar national drug strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment, and prevention, interdiction and law enforcement, research and education international initiatives. *Control*

* The second phase of his drug strategy calls for tougher laws and the death penalty for drug kingpins. The President has also singled out five areas as designated high intensity drug zones.

see revision memo

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/29/90

ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01/30/90

SUBJECT: 1990 AGENDA TALKING POINTS

	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"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BENNETT</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>DELAND</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>BROMLEY</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			<u>PETERSMEYER</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01/31, with a copy to my office. Thanks.

RESPONSE: *See comments*

90 JAN 30 12:02
James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include:

29 PM 7:19

1. Economy

* The President's plan calls for a balanced federal budget by ~~the~~ year 1993, and includes a proposal to begin paying off the national debt. *Fiscal*

* He'll push to maintain our economic strength by encouraging increased investment and productivity, and reduce the deficit with no new taxes.

* The President will work to reduce tax rates for capital gains and create a new tax exempt Family Savings Account to encourage individual savings.

2. Social Security

* The President has pledged he will not jeopardize the integrity of the Social Security system.

3. Education

* The budget request for education is the highest ever proposed, *So, too,* including a half billion dollar increase for the Head Start program. *requested*

* Agreement was reached at the President's historic Education Summit with the nation's governors to establish unified goals for education, which the President will announce in his State of the Union speech. *national*

* Enacting the provisions of the President's Educational Excellence Act is a top priority.

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs.

5. Drugs

* The President's \$10.5 billion ~~dollar~~ national drug strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment and prevention, interdiction and law enforcement.

* The second phase of his drug strategy calls for tougher laws and the death penalty for drug kingpins. The President has also singled out five areas as designated high intensity drug zones. *Franklin*

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6. Environment

* Enacting tough new Clean Air requirements to reduce acid rain, urban smog and air pollution are among the President's chief priorities. He wants to elevate the Environmental Protection Agency to Cabinet level status.

* His "America the Beautiful" initiative expands federal parkland, creates additional wildlife refuges, and establishes a new reforestation program that calls for the planting of more than a billion new trees.

7. Housing

* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or drug or alcohol abusers.

The President has again proposed total funding for McKinney Act homeless programs that exceeds full funding levels. Total proposed funding for all projected homeless programs is over 20% above 1990 enacted levels.
Ken Ryde 445016

* The President's HOPE project sets out a comprehensive new housing and urban development agenda. It will help low income families become homeowners and increase housing opportunities for other low income families. Enterprise zones will help revitalize distressed low income communities.

8. Competitiveness

* Tort Reform, an expanded budget for Space exploration, record high budget proposals for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to make sure America is competitive in the world.

programs
Steady 14844

9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To help preserve our national security and advance America's interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative and the Stealth Bomber.

10. Thousand Points of Light

* Through his Thousand Points of Light campaign, the President has promoted community service in America and encouraged Americans to give of their time and effort to help others in need.

For Immediate Release

PRESIDENT BUSH'S 1991

FACT SHEET

The President submitted the *Budget of the United States Government, Fiscal Year 1991* to Congress today. The following is a summary of selected highlights. Parenthetical notes refer to pages in the *Budget* at which further discussion and detail are provided.

The President's budget meets the legally required G-R-H deficit targets of \$64 billion for fiscal year 1991 and zero for fiscal year 1993.

The FY 1991 budget is presented in relation to five themes:

- I. Investing in the Future
- II. Advancing States as Laboratories
- III. Reforming Mandatory Programs
- IV. Acknowledging Inherited Claims
- V. Managing for Integrity and Efficiency

I. INVESTING IN THE FUTURE (page 23)

A. INCREASING SAVING, INVESTMENT, AND PRODUCTIVITY (page 25)

1. *Balance the Federal budget by 1993*, as required by the G-R-H law. This should increase saving and investment and reduce the need for U.S. foreign borrowing. (pages 3, 46)
2. *Protect Social Security integrity and reduce the national debt after 1993*. The Administration is proposing legislation to assure that the intended build-up in Social Security reserves is *not* used to mask the non-Social Security deficit. This would have several favorable effects: national saving and investment should rise; real interest rates should be lower; and U.S. competitiveness should be strengthened. (pages 10, 46, 267)
3. *Reduce tax rates on capital gains* for long-term investments by providing a permanent, sliding scale exclusion. This proposal promotes long-term investment to increase economic growth; helps U.S. business compete in an increasingly competitive global environment; produces increased receipts for the Treasury; and, most importantly, increases jobs and the quality of life for all Americans. (pages 17, 47, A-51)
4. *Create Family Savings Accounts and Modify IRAs*. The Family Savings Account (FSA) is proposed by the Administration to give individuals and families an

This document
is a more
appropriate document
to use.

extra incentive to save for the future. The proposal would exempt from income tax the interest income on certain nondeductible contributions to FSAs that are held for seven years. In addition, the Administration proposes to modify current individual retirement account rules to allow a waiver of the 10 percent excise tax penalty for early withdrawals of up to \$10,000 if the withdrawn funds are used for first-time home purchases. (pages 17, 47, A-51)

B. EXPANDING THE HUMAN FRONTIER—SPACE AND BIOTECHNOLOGY, AND THE SUPERCONDUCTING SUPER COLLIDER (page 49)

SPACE

The 1991 budget proposes to allocate a record \$15.8 billion in budget authority for space activities, including \$15.2 billion for NASA. The NASA budget will increase by \$2.9 billion, or 24 percent. (page 49)

1. *Building Space Transportation Infrastructure:* The budget proposes funding for Space Shuttle production and operations of \$4.2 billion, an increase of \$752 million, or 22 percent, over 1990. This will support the 10 shuttle flights planned for 1991, one more than planned for 1990, plus the continued acquisition of long-lead time spare parts, support for shuttle payloads and shuttle improvements such as the advanced solid rocket motor. (page 52)
2. *Expanding the Space Frontier through Manned Exploration:* (page 53)
 - *Space Station Freedom:* For 1991, the budget proposes a total of \$2.6 billion in budget authority for the continued development of Space Station Freedom. This is an increase of \$699 million or 36 percent above 1990. It will provide for the critical transition from design to actual fabrication of the first long-lead time hardware elements.
 - *The mission back to the Moon and to Mars:* The President has lifted the sights of the space program with his call for the establishment of a manned presence on the moon and a manned mission to Mars. The budget reflects the Administration's commitment to this mission by proposing \$1.27 billion in budget authority, an increase of \$408 million, or 47 percent above 1990 levels, for space exploration activities.
3. *Using Space to Increase Scientific Understanding:* The budget proposes to increase funding for space science missions for planetary exploration, astronomy and Earth observations over the next decade by \$593 million in budget authority or 22 percent, over 1990 levels. The budget will also allow for the continuation of the development of important projects such as the Advanced X-ray Astrophysics Facility, planned for launch in 1995, and the Comet Rendezvous/Asteroid Flyby and Cassini mission to Saturn. The budget will provide support for thousands of researchers and students to acquire and analyze data from previously launched missions. (page 56)
 - *Understanding and observing global change:* The budget proposes over \$1 billion in budget authority to extend U.S. leadership in understanding global environmental change. This represents a 57 percent increase over 1990. NASA is a major participant in the U.S. Global Change Research Program (USGCRP) through its Mission to Planet Earth. NASA will develop and launch

a number of satellites and instruments, including TOPEX (to analyze surface ocean circulation) and the Upper Atmosphere Research Satellite (UARS) (to analyze the chemistry of the upper atmosphere.) The 1991 budget proposes a major new program, the Earth Observing System (EOS) which is a series of space-based instruments and platforms, developed by the U.S., the Europeans and the Japanese.

4. *Developing the Commercial Potential of Space:* The 1991 budget will continue the Administration's strong support for the commercialization of space. NASA will allocate \$229 million in budget authority to continue to procure all of its expendable launch vehicle services from private launch service providers. In addition, the budget will provide \$101 million for NASA's Office of Commercial Programs, including new funding for a special initiative through its Centers for the Commercial Development of Space (CCDS) to provide flight opportunities for innovative experiments in microgravity. (page 58)
5. *Other Space Activities:* The 1991 budget proposes \$258 million in budget authority for the Department of Commerce space satellite programs. This includes \$174 million for the development and launch of replacement satellites for the polar-orbiting and geostationary weather satellite systems and \$47 million to operate those systems; and \$37 million for the launch of Landsat 6. (page 58)

BIOTECHNOLOGY (page 59)

Advances in biotechnology can help improve the availability and quality of the food supply; prevent, identify, and cure disease; and reduce the hazards of industrial waste.

The budget proposes \$3.6 billion in budget authority, an increase of \$213 million over 1990, for biotechnology research and development.

To spur biotechnology R&D, the budget supports *speeding up regulatory review* where appropriate. The Food and Drug Administration would establish a system of user fees for the review of drugs and medical devices, including products that use techniques developed through biotechnology. By substantially increasing the resources available to the FDA, user fees will enable that agency to speed its review of biotechnology products and, in turn, allow firms to bring their products to the marketplace sooner.

SUPERCONDUCTING SUPER COLLIDER (page 64)

The Superconducting Super Collider will help scientists explore aspects of matter that are unreachable using any existing facility, and it holds the potential for new breakthroughs in science, technology and education.

The 1991 budget provides \$318 million in budget authority for the SSC, an increase of \$100 million over the 1990 level. The budget supports work to complete the design, development, and testing of the magnets that will propel proton beams around the tunnel. R&D on other SSC technical systems will continue.

C. ENHANCING RESEARCH AND DEVELOPMENT (page 67)

The budget proposes to allocate almost \$71 billion in budget authority for research and development in 1991. This is an increase of \$4.5 billion, or 7 percent, over 1990 enacted levels. Civilian R&D will increase by 12 percent while Defense-related R&D will increase by 4 percent. Within this total, \$12 billion will be allocated for basic research, an increase of \$1 billion, or about 8 percent over FY 1990.

1. *Doubling of the National Science Foundation*: A 14 percent increase will continue progress toward doubling the NSF budget by 1993. (page 74)
2. *Global Change*: An increase of 57 percent for the U.S. Global Change Research Program (USGCRP), to a total of over \$1 billion. This program continues the U.S. world leadership role in climate change research. (page 75)
3. *Agricultural Research Initiative*: The budget proposes \$100 million in budget authority as the first step of a new agricultural research program, designed to enhance production efficiency, food safety, and environmental quality. (page 77)
4. *Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome*: An overall increase of 18 percent in all aspects of the Federal response to HIV/AIDS: research, prevention, treatment, and income support. (page 78)
5. *R&D for Advanced Technology*: \$192 million in budget authority, an increase of 28 percent for robotics R&D, and continued support for R&D on high performance computing, semiconductors, superconductivity and advanced imaging. (page 84)
6. *Magnetic Levitation Transportation*: An increase of nearly 400 percent to \$10 million in budget authority to explore this potentially important transportation technology. (page 84)
7. *Science and Engineering Education*: The budget proposes over \$1 billion in budget authority, an increase of 26 percent above 1990 in direct spending, for science and engineering education activities in five agencies. In addition, the budget provides research grants to universities in direct support fellowships and other forms of education support. (page 87)
8. *R&E Tax Credit*: The budget proposes to make the Research and Experimentation Tax Credit permanent. (page 91)
9. *R&D by Transnational Companies*: The budget proposes to make permanent the rules for allocation of R&D expenditures by transnational companies. (page 91)

D. INVESTING IN HUMAN CAPITAL (page 93)

EDUCATION (page 93)

The total 1991 budget requests for the Department of Education are the highest ever: \$24.6 billion in budget authority. Included is \$19.7 billion in budget authority for discretionary programs, \$1.2 billion more than Congress provided in 1990.

1. *Preparing Children to Learn:* (page 99)

- a. *Head Start:* increase by \$500 million in budget authority, to a record high total of \$1.9 billion. This 36 percent increase over the 1990 level would enable Head Start to enroll up to 70 percent of the eligible poor four year olds. (page 100)
- b. *Even Start:* double funds to \$48 million in budget authority, allowing significantly increased participation in this program designed to provide basic education services in low-income areas to parents together with their children, aged one through seven. (page 101)
- c. *Handicapped Infants:* \$83 million for the Education Department to develop and expand systems to find, and coordinate services for handicapped infants and their families. (page 101)
- d. *Handicapped Children:* \$258 million in budget authority under the Preschool State Grant program to pay for part of the excess cost of education and related services for handicapped children aged three to five. (page 102)

2. *Targeting Resources for Those Most in Need:* (page 102)

- a. *Elementary and Secondary Education:* increase the largest program for remedial education services for the disadvantaged—Chapter 1 Local Education Agency and Concentration Grants—to its highest level ever: \$4.96 billion in budget authority, an increase of \$366 million, 8 percent over 1990. (page 102)
- b. *Educational Excellence Act:* \$401 million in budget authority. This proposed legislation would give incentives to schools to improve educational achievement, expand the use of magnet schools, reward excellent teachers and students, promote the hiring of persons with proven subject matter knowledge and management abilities to be teachers and principals, increase the endowment funds of Historically Black Colleges and Universities, and provide special funding for the school districts with the worst drug abuse problems. (page 103)
- c. *Math and Science:* \$230 million in budget authority for the Dwight D. Eisenhower Mathematics and Science Education programs, a 70 percent increase over what Congress provided in 1990. These programs provide funds to States to improve the knowledge and teaching abilities of mathematics and science teachers. (page 104)
- d. *Literacy:* \$239 million in budget authority for the Adult Education programs of the Department of Education, an increase of more than 25 percent over what Congress provided in 1990. These programs include an Adult Literacy

Clearinghouse at the Department of Education. (In addition, funding is proposed to be doubled from \$3 million to \$6 million in 1991 for the VISTA—Volunteer in Service to America—Literary Corps of the ACTION agency.) (page 104)

- e. *Historically Black Colleges and Universities*: \$95 million in budget authority to support the operations of historically black colleges and universities and graduate institutions. An additional \$15 million is provided for matching endowment grants for these institutions, triple the amount provided in 1990. (page 104)
3. *Education Research and Statistics*: The budget provides for an increase of \$34.5 million in budget authority for primary research and statistics activities of the Education Department. This includes a 50 percent increase for statistics, from \$40 million in 1990 to \$60 million in 1991. Among the most important new research investments proposed are: (page 98)
- a. \$5 million for new research on dropout prevention. (page 99)
 - b. \$22 million for support for a network of national research and development centers conducting research on educational technology, reading, effective teaching for the disadvantaged, school leadership, and other subjects. (page 99)
 - c. \$7 million for the Educational Resources Information Center. (page 99)
 - d. \$20 million for the regional education laboratories to support local school improvements efforts. (page 99)

JOB TRAINING

4. *Improving Job Training Opportunities*: (page 104)
- a. *The Job Training Partnership Act*: The budget seeks to refine the Federal Government's role in the Job Training Partnership Act (JTPA) by: revising eligibility criteria to ensure that the most disadvantaged receive services; providing more intensive and comprehensive services to participants; and improving coordination among Federal, State and local human resource programs. (page 106)
 - b. *Youth Opportunities Unlimited*: The Administration has proposed a new, multi-year challenge grant program entitled Youth Opportunities Unlimited (YOU). Targeting high poverty inner cities and rural areas, this program is designed to have community-wide impact, serving as a model in developing a local coordinated human resource policy for at-risk youth. (page 108)
 - c. *Job Opportunities and Basic Skills*: This program was enacted as part of the Family Support Act of 1988. The 1991 budget includes \$1 billion for this program. (page 108)

ENHANCING PARENTAL CHOICE IN CHILD CARE (page 194)

Respecting the many ways that American families care for their children, the President has based his child care policy upon parental choice. The budget repropose the two tax credit initiatives for child care that were advanced last year: (1) a new refundable Child

Tax Credit for low-income working families of up to \$1,000 for each child younger than age four, and (2) refundability of the current Child and Dependent Care Tax Credit.

E. ENDING THE SCOURGE OF DRUGS (page 111)

The 1991 Federal drug control budget totals \$10.6 billion in budget authority. This budget will provide \$9.7 billion in outlays, \$2.8 billion more in outlays than last year—a 41 percent increase.

1. *Attacking the Drug Market at the Source and on the Street:* (page 112)

a. *At the source:* (page 112)

- an increase of \$175 million in budget authority in economic assistance for the Andean nations to complement military and law enforcement programs begun in 1990. If the Andean nations show demonstrable progress in 1990, the total assistance package will reach \$440 million in 1991.
- A \$15 million in budget authority increase is proposed for drug control programs in countries that now produce marijuana and heroin, or serve as trans-shipment points for those substances.
- \$35 million in budget authority is requested for domestic marijuana eradication.
- \$2.4 billion in budget authority proposed for air, land, and maritime interdiction operations would provide obstacles to drug smugglers, including seizure of illegal shipments, and can ultimately reduce the availability of drugs in the U.S.

b. *On the street:* (page 113)

- \$330 million in budget authority for the 13 regional Organized Crime Drug Enforcement Task Forces. This represents a 54 percent increase over 1990.
- \$50 million in budget authority, a \$25 million increase over 1990, proposed to be targeted on high intensity drug trafficking areas.
- An estimated \$238 million in budget authority from seizures will be shared with State and local law enforcement agencies—their fair share of Federal seizures of drug dealers' assets.
- \$700 million in budget authority for the Drug Enforcement Administration (DEA). The \$151 million increase over 1990 represents one of the largest annual increases in the history of the agency.
- Within the DEA budget request is a 30 percent increase for State and local task forces to \$42 million in budget authority in 1991.
- \$172 million in budget authority, a \$32 million increase over 1990, is requested for the FBI's anti-drug abuse activities.
- \$182 million in budget authority for the U.S. Attorneys to prosecute drug dealers and users, a \$45 million increase over 1990. A 30 percent increase, a total request of \$201 million, for the U.S. Marshals is also proposed.

- \$79 million in budget authority increase for the Judiciary branch, for a total of \$403 million, to try accused drug offenders.
- \$492 million in budget authority is requested for State and local law enforcement grants, a 10 percent increase over 1990.
- The Administration has proposed legislation to require States to adopt drug-testing programs throughout their criminal justice systems as a condition for receipt of Federal criminal justice funds.

2. *Treating the Drug User:* (page 114)

For 1991, the Administration requests nearly \$1.7 billion in budget authority for drug treatment activities, a 12 percent increase over 1990. This includes:

- a. \$760 million for Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) drug treatment grants and technical assistance for the States, an increase of 11 percent over 1990. (page 116)
- b. \$300 million for the Department of Veterans Affairs to provide drug treatment services. (page 116)
- c. Tripling the assistance for the smallest victims of the drug problem, "crack babies." (page 116)
- d. An increase of \$30 million for treatment research and data collection by HHS. (page 116)

3. *Preventing Drug Abuse: School, Workplace, and Community Prevention:* (page 116)

The 1991 budget requests an increase of 12 percent over 1990, or a total of \$1.4 billion in budget authority for drug prevention and education activities. This includes:

- a. \$496 million for drug prevention programs in the Department of Health and Human Services: Many of these programs fund prevention demonstration projects and research for high-risk youth populations. Drug prevention efforts for pregnant women remain a priority. (page 118)
- b. \$593 million for the Education Department's Drug-Free Schools and Communities Program: This represents a \$54 million increase over 1990. (page 118)
- c. \$150 million for drug programs for the Department of Housing and Urban Development, of which approximately half will be directed at preventing drug abuse in and around housing projects. (page 118)

Federal efforts will continue to support a drug-free Federal workplace. The Administration also will propose to strengthen drug-free workplace requirements for Federal contractors and grantees. (page 118)

F. PROTECTING THE ENVIRONMENT (page 119)

The budget provides over \$2 billion in new budget authority for initiatives to protect the environment.

1. Exercising Responsible Stewardship of America's Natural Resources: (page 120)
 - a. *America the Beautiful*: The budget proposes to establish a new "America the Beautiful" initiative comprised of the following: (page 120)
 - *Land Acquisition*: The budget proposes to expand acquisition of high priority national parks, refuges, forests, and other public lands. The budget requests \$250 million in budget authority in 1991 for these purposes.
 - *Reforestation*: The budget proposes \$175 million in budget authority for the first year of a multi-year initiative with these objectives: planting a billion trees on private land across America; and launching a community trees program, designed to plant another 30 million trees in towns and cities across America.
 - *Enhancing recreation and restoring natural resources: Legacy '99*: The budget includes \$205 million in budget authority, 40 percent above 1990, for improved resource protection and restoration (including wetlands conservation and endangered species activities) and enhanced recreational opportunities in national parks, wildlife refuges, and other public lands.
 - b. *Protecting America's Wetlands*: The budget proposes an increase of \$88 million in budget authority, 24 percent above 1990, for wetlands research, protection, preservation, and enhancement. (page 123)
 - c. *Mitigating the Environmental Effects of Water Resource Development*: (page 124)
 - The budget proposes \$16 million in budget authority for the Army Corps of Engineers to construct juvenile fish passage facilities on the Columbia and Snake Rivers in Washington, Oregon, and Idaho.
 - The budget provides \$20 million in budget authority to begin the acquisition of 88,000 acres needed to mitigate environmental losses caused by the construction of the Tennessee-Tombigbee Waterway project in Alabama and Mississippi.
 - d. *Managing America's National Forests*: The budget proposes to end "below-cost" timber sales, on nine test forests where recreation and other uses have been increasing. "Above cost" sales on these forests will be allowed. (page 123)
2. *Providing Tools for Effective Pollution Control*: (page 126)
 - a. *Increase EPA's Operating Budget*: \$230 million in budget authority, a 12 percent increase above 1990, for EPA's operating budget. The increase would bring staffing growth since the beginning of the Administration to 1,630—an 11 percent increase. (page 126)
 - b. *Implementing Clean Air Changes*: An increase of over \$80 million in budget authority is requested to enable the agency to implement the ambitious new

proposals for revising the Clean Air Act proposed by the President last year. (page 126)

- c. *Enforcing Environmental Laws:* The budget calls for a 36 percent increase in EPA's enforcement budget. This will enable EPA to redouble its efforts to ensure that responsible parties pay for cleaning up the pollution they create. (page 126)
 - d. *Protecting Critical Habitats:* The budget provides \$95 million in budget authority, an increase of 32 percent, for EPA's critical habitat programs, which seek to address pollution problems in the Nation's wetlands, estuaries, and near coastal waters. (page 127)
 - e. *Revitalizing the Council on Environmental Quality:* The budget for CEQ will nearly double. (page 127)
 - f. *Promoting Environmental Education:* In 1991, the President will present a cash award of \$5,000 to the 100 teachers—two in each State—who design and implement the most innovative and effective programs to teach students about the environment. (page 128)
 - g. *Maintaining Environmental Infrastructure:* The budget proposes a \$91 million in budget authority expansion of the maintenance and rehabilitation efforts by the Department of the Interior that preserve the basic infrastructure of America's national parks, wildlife refuges, and other public lands. This is a 19 percent increase above 1990. (page 128)
3. *Cleaning Up Hazardous Wastes:* (page 129)
- a. *Accelerating the Pace of Superfund Cleanups:* The President has requested an increase of over \$200 million, which will be targeted toward cleanups. (page 129)
 - b. *Cleaning up Federal Facilities:* The budget proposes an increase of nearly \$800 million in budget authority, or 21 percent above 1990 levels, for Federal facility cleanup efforts. (page 129)
4. *Laying the Groundwork for a Cleaner, Safer Future:* (page 129)
- a. *Global Climate Change Research:* The budget contains over \$1 billion in budget authority, an increase of 57 percent over the 1990 levels, for the U.S. Global Change Research Program, an interagency research effort designed to improve scientific understanding and predictive capability on global change issues. (page 129)
 - b. *Encouraging the Development of Solar and Renewable Energy Sources:* The budget requests about \$360 million in budget authority for these activities, a substantial increase over the \$208 million requested in 1990. The budget will also request \$182 million for energy conservation R&D, almost double the 1990 request. (page 131)

G. IMPROVING THE NATION'S TRANSPORTATION INFRASTRUCTURE (page 133)

AVIATION

The President is proposing a total of \$8.6 billion in budget authority, a 16 percent increase, for aviation programs in 1991. This is the first year of a 5-year aviation reauthorization program to provide the necessary funding to modernize and expand the aviation infrastructure. (page 134)

1. *Keeping the Skies Safe and Secure:* The Administration is requesting \$4.1 billion, a \$264 million or 7 percent increase over 1990, for Federal Aviation Administration (FAA) operations. The budget also includes a \$20 million or 12 percent increase over 1990, for aviation research and development. (page 135)
2. *Modernizing Airspace System Equipment:* The budget proposes \$2.5 billion in budget authority, an increase of \$779 million, or 45 percent. (page 135)
3. *Expanding Airport Capacity:* (page 136)
 - a. *Increasing Federal funding for capacity projects:* The President's budget provides \$1.5 billion in new 1991 spending for Federal airport grants, a \$75 million increase over 1990. (page 137)
 - b. *Removing Federal restrictions:* The Administration proposes to remove existing statutory restrictions that prevent airports from raising certain revenue—namely by allowing airports to levy passenger facility charges (PFCs). Some estimates show PFCs could generate about \$1 billion per year for U.S. airports. (page 137)
4. *Financing the Aviation System:* The Administration proposes to increase aviation user fees to finance these significant increases in aviation spending. The passenger ticket fee would be raised from 8 to 10 percent and other aviation fees would be raised similarly. (page 137)

HIGHWAYS

For 1991, the budget provides Federal-aid highway funding to cover the Federal share of the cost to maintain the physical condition of bridges and highways of national importance and to continue completion of the Interstate System. The Federal-aid highway program is authorized through 1991. During this year, the Federal Government will work with its partners—States, local governments and the private sector—to address the projected needs for highways. The Administration will present its proposals in the context of the highway reauthorization for 1992 and beyond. (page 138)

H. BRINGING HOPE TO DISTRESSED COMMUNITIES (page 141)

1. *Expanding Tenant Management and Homeownership Opportunities:* (page 141)
 - a. *HOPE Grants:* To help low-income families become homeowners with a stake in their communities, the Administration proposes a new HOPE Grant Program. These grants will provide funds for resident management and homeownership in public housing, government-held vacant and foreclosed properties, and financially "distressed" properties. HOPE Grants will provide \$2.15 billion over 3 years with States, localities, or non-profit organizations

required to provide \$1 for every \$2 in Federal HOPE Grant funds. A total of \$250 million will be set aside to provide replacement housing for public housing developments that convert to low-income homeownership. (page 144)

b. *Urban Homesteading*: The budget almost quadruples funding for this program for a total of \$50 million in 1991. (page 145)

c. *Prepayment Strategy*: The HOPE initiative proposes a three-pronged approach to protect tenants who would be adversely affected by much higher and unaffordable rents in housing projects where owners will become eligible to prepay their mortgages. (page 145)

d. *IRAs for Homebuyers*: To expand homeownership for young families and first-time homebuyers, the Administration proposes the use of Individual Retirement Accounts (IRAs) for buying a home. (page 146)

2. *Reducing or Eliminating Barriers to Low-Cost Housing*: (page 146)

a. *Housing Opportunity Zones*: The budget proposes a Federal-local partnership to remove barriers to, and create incentives for, more affordable housing for low and moderate income families in distressed areas through designation of 50 housing opportunity zones, chosen through a competitive process. (page 146)

b. *Low-income Tax Credit*: The budget proposes to extend the low-income housing tax credit through December 1991 to encourage the new construction or rehabilitation of affordable rental housing in areas with rental housing shortages. (page 146)

3. *Helping Poor Families and Elderly Become Self-Sufficient*: (page 147)

a. *Operation Bootstrap*: Starting in 1991, all housing vouchers provided to welfare families and others with very low incomes must be combined with a local program to help them escape from dependency. (page 147)

b. *Frail Elderly Housing Services Voucher*: The 1991 budget proposes a Service-Supported Housing Voucher Demonstration for the frail elderly—those persons of at least 62 years of age who need assistance with three or more simple activities of daily living—funded at \$44 million. \$34 million of housing vouchers will be linked with \$10 million for in-home services. (page 147)

4. *Helping the Homeless*: (page 147)

a. The budget includes \$819 million for the *McKinney Act* programs, more than the \$727 million needed to “fully fund” the Act. (page 147)

b. *Special Homeless Initiatives*: (page 147)

• *AFDC Families in Welfare Hotels*: The budget proposes a total of \$143 million for the McKinney Act Transitional Housing Demonstration program. This program is designed to develop innovative approaches to providing houses and supportive services to homeless individuals and families who can make the transition to independent living within 2 years.

- A new "Shelter Plus" Program to help the homeless mentally ill or recovering substance abuser. HUD would provide \$247 million in housing assistance for over 8,900 homeless mentally ill or recovering substance abusers.

5. *Creating Jobs and Economic Growth in Distressed Areas:* (page 148)

- a. *Enterprise Zones:* Three tax incentives are included in the President's budget to encourage job creation and entrepreneurship in distressed areas: (page 148)
- A 5 percent refundable tax credit for the first \$10,500 of wages, up to \$525 per worker, to qualified employees for wages earned in an enterprise zone business.
 - Expensing of investor purchases of newly issued corporate stock of businesses located in enterprise zones. This is an up-front deduction for up to \$50,000 per year of new equity investment, with a \$250,000 lifetime limit.
 - A zero capital gains rate for gains on investment in tangible property used in an enterprise zone business and located within an enterprise zone at least two years.

I. PRESERVING NATIONAL SECURITY AND ADVANCING AMERICA'S INTERESTS ABROAD (page 151)

NATIONAL DEFENSE

The budget request for national defense is significantly less (\$14.3 billion in budget authority and \$5.5 billion in outlays) than the amounts included in the President's February 1989 budget for 1991. Budget savings in the 1991-93 period (relative to the previously-published levels) are \$63.6 billion in budget authority and \$29.7 billion in outlays. The actual savings relative to the full cost of the previously approved defense program are considerably higher—almost \$170 billion over 5 years. (page 151)

1. *Department of Defense—military:* The budget requests \$295.1 billion in budget authority and \$292.1 billion in outlays for the military functions of the DOD: (page 153)
- a. *Operations:* Active duty end-strength will decline by the end of 1991 to a level of 2,038,800—91,429 below the actual FY 1989 level—with savings of \$1.7 billion. At the same time, to continue to assure force quality, readiness and training, the budget provides for a 3.5 percent pay raise, improved benefits, enlistment and re-enlistment bonuses, special pay for critical skills, and continuation of current training levels. (page 154)
- *Strategic forces:* Deployed forces will continue to include the Triad of land, air, and sea based systems, as well as air defense interceptors.
 - *General purpose forces:* Land forces at the end of 1991 will include 19 active and 11 reserve Army and Marine divisions, two active divisions less than at the end of 1990. Naval forces will include 14 aircraft carrier battle groups and 15 tactical airwings (the same as in 1990), but two of the four U.S. battleships will be deactivated and the number of nuclear attack submarines will decrease by 5 in 1991. Air forces will include 24 active and 12 reserve Air Force fighter wing equivalents, 2 squadrons of B-52's dedicated to the

delivery of conventional weapons, and 25 strategic airlift squadrons. One Air Force fighter wing equivalent and one conventional B-52 squadron will be deactivated in 1990.

- *Special operations forces:* Through 1991, Army special forces battalions will increase from 13 to 15, and Air Force special operations units will gain 7 additional aircraft.

b. *Investment:*

- *Strategic systems:* To modernize all three components of the strategic Triad, procurement for 1991 includes the eighteenth Trident submarine and 52 Trident II missiles, 12 Peacekeeper missiles for operational testing and special railroad trains to provide mobility for Peacekeeper missiles. The budget requests funds for continued development of the small intercontinental ballistic missile. It also requests an increase for the Strategic Defense Initiative to a level of \$4.5 billion. This is \$0.9 billion more than in 1990, but \$1.0 billion less than previously planned.
- *Conventional systems:* To maintain well-equipped forces, the budget provides for procurement in 1991 of 225 M-1 Abrams tanks, 600 Bradley Fighting Vehicles, 72 Blackhawk utility helicopters, 14 new ships, 186 Air Force fighters, and six C-17 transport aircraft. Development will continue on the Army's experimental light helicopter (LHX) and improved ground force systems, the Advanced Air-to-Air Missile System, P-7 anti-submarine warfare aircraft, and next generation tactical aircraft. Fifteen systems will be terminated with associated savings of \$3 billion. These are in addition to the five systems terminated in the FY 1990 budget.
- *Research and Technology:* The budget requests \$38.0 billion in budget authority and \$37.0 billion in outlays for research, development, testing and evaluation—\$1.2 billion and \$0.4 billion, respectively, more than 1990 levels. The request includes \$3.4 billion to develop technology options for future U.S. weapon systems and to guard against technological surprise by our adversaries.

c. *Base Closures:* The budget requests \$916 million for continued implementation of the Base Closure and Realignment Act approved by Congress in 1989. \$500 million was provided in the 1990 budget for this purpose. Additional domestic base closures will be studied this year and units will be withdrawn from some overseas bases. (page 156)

d. *Drug Interdiction:* The budget requests \$1.2 billion for an aggressive Defense counternarcotics program, \$0.3 billion more than 1990. (page 156)

2. *Atomic Energy Activities:* The budget proposes budget authority of \$11 billion and outlays of \$10.4 billion, compared to \$9.7 billion and \$8.9 billion, respectively, for 1990. (page 156)

The budget includes \$2.8 billion in budget authority for waste cleanup at various Department of Energy facilities. This represents an increase of \$601 million, or 27 percent above 1990. The budget also includes an increase of \$178 million in budget authority for Federal facility cleanup activities in other agencies.

Governmentwide, the increase above 1990 for Federal facility cleanup is 21 percent. (page 257)

3. *Defense-Related Activities*: These activities include civil defense and emergency preparedness activities of the Federal Emergency Management Agency, the efforts of the Selective Service System, and the Maritime Administration's Ready Reserve Force. The budget requests \$760 million in budget authority and \$705 million in outlays for these purposes, as compared with \$609 million and \$648 million, respectively, in 1990. (page 157)

INTERNATIONAL AFFAIRS

The budget requests budget authority of \$20 billion and outlays of \$18.2 billion for international affairs activities, \$1.4 billion and \$3.6 billion more, respectively, than in 1990. The high growth in outlays reflect in part the cessation in 1991 of certain large receipts. (page 158)

1. *Foreign Aid*: The budget requests \$14.9 billion in budget authority and \$14.2 billion in outlays for foreign aid, \$1 billion and \$3 billion, respectively, more than in 1990. Much of the increase in outlays in 1991 is due to the prepayment in 1990 of past loans for military goods and services. The budget reflects an emphasis on Eastern Europe, counter-narcotics, and the U.S. role in the multilateral development banks (MDBs). (page 159)
 - a. *Security Assistance*: The budget requests \$8.8 billion in both budget authority and outlays for international security assistance, \$0.4 billion and \$2.5 billion, respectively, more than in 1990. The largest component of security assistance requested—\$5.1 billion, or 61 percent—provides military and economic support to Israel and Egypt. Furthering their efforts to achieve a lasting peace in the Middle East remains a high priority of U.S. foreign policy. (page 160)
 - *Narcotics control*: The budget requests \$528 million in budget authority and \$270 million in outlays for international narcotics control. The requested funding will finance the second year of the plan to reduce the flow of cocaine from the Andean countries of Colombia, Peru, and Bolivia. The major increment in this program will be \$175 million of new aid for the economies of those countries that evidence a determination to attack seriously the narcotics problem.
 - b. *Development and Humanitarian Assistance*: The budget proposes \$6.1 billion in budget authority and \$5.4 billion in outlays for development and humanitarian assistance, \$0.6 billion and \$0.5 billion, respectively, more than in 1990. This funding is to encourage market-oriented economies through budgetary support, capital projects and technical assistance; to provide relief from major disasters; and to provide humanitarian assistance such as refugee care. The request includes \$1.9 billion in budget authority for bilateral economic assistance programs administered by AID and \$1.7 billion in budget authority for U.S. contributions to multilateral development banks such as the World Bank. (page 161)
 - *Special assistance for Eastern Europe and the Philippines*: The major emphasis of the increases in foreign aid in 1991 is support of democracy abroad. The budget requests \$300 million for a special assistance initiative for those

countries in Eastern Europe that are moving toward democracy and attempting to develop free-market economies. The budget also requests \$200 million for special assistance to the Philippines.

- *Refugees*: The budget requests \$451 million in budget authority and \$435 million in outlays for refugee programs, \$82 million and \$49 million, respectively, more than in 1990.
 - *Multilateral development assistance*: The budget requests \$3.2 billion in contributions over the next 3 years to the International Development Association (IDA), an agency of the World Bank. This proposed funding, when matched by funding from other countries, will permit IDA to provide an average of \$5.5 billion in annual long-term lending to the poorer developing countries.
2. *Diplomacy*: The budget requests budget authority of \$5.3 billion and outlays of \$4.5 billion, \$1 billion and \$0.4 billion, respectively, more than in 1990. (page 161)
- a. *The conduct of foreign affairs*: Funds sought for the basic salaries and expenses of the State Department are \$1.9 billion in budget authority and \$1.8 billion in outlays. (page 162)
- *Payments to international institutions*: The budget requests \$1.4 billion in budget authority and \$0.9 billion in outlays for international organizations that are important to U.S. interests, an increase of \$712 million and \$187 million, respectively, over 1990 levels. The request includes \$794 million for regularly scheduled payments and \$620 million to eliminate arrearages in U.S. mandatory contributions to the United Nations and related agencies.
 - *Reconstruction of the Moscow Embassy*: The budget requests \$270 million in budget authority and \$10 million in outlays to construct, under extraordinary technical standards, a more secure building for diplomatic representation and negotiations.
- b. *Public Diplomacy*: Among the various programs in this area, the budget requests \$154 million for exchange programs and \$125 million for USIA's Voice of America to continue its major modernization of radio broadcasting capacity. (page 162)
3. *International Financial Programs*: For 1991, the Export-Import Bank will provide \$500 million in loans and \$10.6 billion in guarantees and insurance to support U.S. export sales. (page 163)

J. PRESERVING AMERICA'S HERITAGE (page 165)

The budget proposes \$757 million in direct funding of activities that preserve, pass on and contribute to the American heritage, 9 percent more than enacted in 1990.

1. *National Endowment for the Arts*: The budget requests \$175 million in budget authority for the National Endowment for the Arts, \$4 million more than enacted in 1990. (page 166)

2. *National Endowment for the Humanities*: \$165 million in budget authority for the National Endowment for the Humanities, \$8 million more than enacted in 1990. (page 166)
3. *Institute for Museum Services*: \$24 million in budget authority for the Institute of Museum Services, \$1 million more than enacted in 1990. (page 166)
4. *Smithsonian Institution*: \$308 million in budget authority for the Smithsonian Institution, roughly \$41 million more than enacted in 1990. The budget includes \$19.4 million toward establishment of a new National Museum for the American Indian. (page 167)
5. *National Gallery of Art*: \$49 million in budget authority for the National Gallery of Art, \$7 million more than enacted in 1990. (page 167)
6. *Historic Preservation Fund Program*: \$34 million in budget authority for the Historic Preservation Fund Program of the National Park Service, \$1.4 million more than enacted in 1990. (page 167)

II. ADVANCING STATES AS LABORATORIES (page 169)

The President's budget highlights and expands the effort of the Federal government to foster and finance innovation in the States. In the areas of education and low-income programs in particular, the President's program supports important innovations and experiments, including steps to reduce Federal controls and regulations in order to give State Governors and legislators greater latitude to try new methods.

III. REFORMING MANDATORY PROGRAMS (page 181)

Mandatory spending encompasses entitlements and a wide variety of other benefits, services, and subsidies ranging from social services to electric power distribution subsidies. The element common to all mandatory spending is that it tends to be "automatic" in the sense that it is not normally controlled through the annual congressional appropriations process in the way other spending, termed "discretionary" is. Mandatory spending is now almost half of total Federal spending and will exceed 50 percent by 1994.

The sheer size of the mandatory program universe dictates careful attention to spending, which if allowed to grow unexamined can limit the Nation's future in several ways. Reforms are proposed in a number of mandatory programs, though most mandatory programs will still have higher outlays in 1991 than 1990.

IV. ACKNOWLEDGING INHERITED CLAIMS (page 213)

A. ACCOUNTING FOR DEBT AND UNFUNDED ANNUITIES

The Government owes \$2.2 trillion of principal to the people who have loaned it the money to pay for past deficits. This year it will pay an estimated \$176 billion of net interest. The present deficit is continuing to increase the amount of debt, although less rapidly than several years ago.

Annuity programs have also created large and growing obligations on future taxpayers. The Government spent \$382 billion in 1989 for social security, medicare, and Federal employee retirement programs, and the budget estimates it will spend \$433 billion in 1991. These programs are projected to become much larger relative to the economy in future decades than they are now.

A thorough discussion of possible future claims under this heading is at pages 215-228 of the *Budget*.

B. FEDERAL UNDERWRITING RISKS—CREDIT AND INSURANCE PROGRAMS

The Federal Government is the Nation's largest source of credit and underwriter of risk. Too little attention was paid in the past to the scope and scale of these commitments, and often the Government's potential exposure was understated or ignored. Events of the past few years, including insolvency of the Federal Savings and Loan Insurance Corporation and many insured thrifts, the bailout of the Farm Credit System, and mounting losses in mortgage insurance programs, provide hard evidence of the magnitude of the threat. This budget reexamines and begins to restructure Federal credit and insurance programs. Please see pages 229-255 for a more complete discussion of these issues than has been presented in previous budgets.

C. CLEANING UP FEDERAL FACILITIES

The President is committed to cleaning up environmental contamination from past practices at federally owned facilities across the country, and to ensuring that Federal agencies meet or exceed all environmental standards required by relevant laws and regulations. Agencies have the responsibility to operate within these laws, and citizens have the right to insist that Federal agencies be good neighbors.

The budget contains major increases in funding for several agencies that will result in significant progress toward the goal of bringing Federal facilities into compliance with environmental laws. (pages 257-262)

V. MANAGING FOR INTEGRITY AND EFFICIENCY (page 263)

A. REFORMING THE BUDGET PROCESS (page 265)

The congressional budget process does not work well. The budget suggests several reforms to improve the discipline and effectiveness of the Federal budgeting system:

1. Joint budget resolution (page 265)
2. Improved budget measuring and "scorekeeping" (page 265)
3. Biennial budgeting (page 265)
4. Enhanced rescission authority (page 266)

5. Restraining supplemental appropriations (page 266)
6. Closing loopholes in G-R-H (page 267)
7. Reinforcing sequester (page 267)
8. Protecting the social security trust fund (page 267)
9. Amending the Constitution (page 268)
 - Balanced budget amendment
 - Line item veto

B. RESTORING A BASIS FOR CONFIDENCE (page 271)

1. *Reducing Investment in Low Return Programs* (page 271)

Total budget authority for domestic discretionary programs, which are defined as those controlled through the annual appropriations process, is proposed to increase from \$160.5 billion in 1990 to \$167.4 billion in 1991. Outlays are estimated to increase from \$184.2 billion in 1990 to \$194.4 billion in 1991. These changes are the net result of many proposed increases and decreases. Previous sections have highlighted increases. This section of the budget details the principal decreases in domestic discretionary programs.

2. *Strengthening Management Oversight* (page 278)

American citizens have the right to expect that their Government will not tolerate recurrent scandals, such as in housing programs and procurement for national defense. They have the right to better assurance that Federal activities will not pollute the neighborhoods in which they operate or the ecosystem itself. They have the right to expect that their hard earned tax dollars will go to broad national purposes and not to those who can muscle legislators or officials for special breaks. Americans also have the right to first rate service delivery, systems to provide for Government efficiency and integrity, and a skilled and well-motivated Federal workforce. Better provision for these rights and expectations will improve the basis for confidence in democratic institutions.

The budget requests \$22.1 billion in budget authority and \$19.9 billion in outlays—\$2.9 billion and \$2.4 billion, respectively, more than in 1990—to improve Government management.

Initiatives to strengthen management oversight include:

- a. *Defense Management Reform*: The budget includes 1991 management savings in the Department of Defense's operations of \$2.3 billion. These savings will result from implementation of the recommendations in the Defense Management Report, which the President transmitted to Congress in July 1989. Personnel reductions of approximately 8,000 civilians and 8,000 military are expected in 1991 as a result of these reforms. In addition, the Department of Defense estimates these savings will increase to a total of \$39 billion by 1995. (page 283)
- b. *Enhanced Collection of Taxes and Tax Debt*: To slow the growth in tax debt (currently \$61 billion), the budget includes funding for the first phase of a 3-year tax collection initiative, the overall objective of which is to increase

collections by \$2.25 billion over the 1991-93 time period. The first phase will generate \$759 million in revenues over this interval from 1,050 additional collection personnel to be hired in 1991. The Internal Revenue Service also plans to reallocate existing resources so as to provide additional revenues of \$2.5 billion in 1991. (page 284)

- c. *Enhanced Collection of Non-Tax Debt:* The budget requests an additional \$55 million to accelerate non-tax collections, an investment which will improve management controls and realize a return of \$200 million in 1991. Additional staff positions are planned for account servicing in the Department of Agriculture's Farmers Home Administration and the Department of Veterans Affairs. Over 400 positions have been allocated to HUD field offices to improve portfolio management. (page 284)
- d. *Selected Improvements in Service Delivery:* To improve service delivery, the budget requests \$6.1 billion and over 120,000 staff in 1991 for the IRS, \$635 million more than in 1990; \$4.2 billion for operating the Social Security Administration, \$330 million more than in 1990; \$8.6 billion for the Federal Aviation Administration (FAA), \$1.2 billion more than in 1990; \$507 million for selected Federal economic statistics programs, \$52 million more than in 1990. (page 280)
- e. *Rebuilding the Public Trust:* The budget requests an increase of \$76 million, 10 percent more than 1990, and 670 additional staff who will assist in implementing the HUD Reform Act of 1989. The budget also requests an increase of \$32 million for HUD automated data systems, including financial management systems, 44 percent more than in 1990, and \$8 million for the HUD Inspector General to improve monitoring and review of HUD programs. (page 280)
- f. *Strengthening the Savings and Loan Industry:* The Administration proposed comprehensive reform, and Congress enacted the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 in August. The legislation imposes a number of new requirements on the industry and its regulators to assure the safety and soundness of nearly \$1 trillion of insured deposits; it also establishes a Resolution Trust Corporation (RTC) to handle the merger, sale or liquidation of 500-600 insolvent S&Ls. (page 280)
- g. *Cleaning up Hazardous Waste Dumps:* The Environmental Protection Agency will in 1990 increase enforcement and tighten oversight of the Superfund toxic waste response program. EPA will impose a 120-day deadline on negotiations with polluters and exercise its authority to order cleanup if settlement is not reached. Increased enforcement has already resulted in \$1 billion in polluter-financed clean-up activities for 1989, nearly double that in 1988. The budget provides for a \$210 million increase in 1991 to clean up additional hazardous waste sites. This investment builds on the actions of the Administration to provide 480 additional staff at the Department of Justice and EPA (a nearly 40 percent increase) to strengthen Superfund enforcement in 1990. (page 281)
- h. *Improving the Integrity of Student Aid Programs:* To reduce guaranteed student loan defaults and other losses from inadequate program management, the Department of Education is pursuing a three-pronged strategy of

strengthened regulations, administrative actions, and changes in law. (page 281)

- i. *Improving Pension Oversight:* The budget requests an increase of 133 investigative and legal support staff and an additional \$9.3 million in the Department of Labor to strengthen oversight of private pension plans through the Pension and Welfare Benefits Administration. The additional staff will enable the Department to increase reviews and investigations by more than 50 percent and reporting enforcement investigations by 80 percent. (page 281)
- j. *The Inspectors General:* Over the 2-year period 1990 to 1991, the budget specifically adds 67 staff and \$6.9 million for the Department of Energy to deal with procurement fraud, increase audits (including environmental audits), and increase investigations and analysis. It also includes resources for additional audit coverage of international program activities at the Department of Agriculture; increased audit and investigation coverage of the Pell Grant, education for the handicapped and student loan programs at the Department of Education; increased auditing and investigative work at the Department of the Interior; enhanced ADP capabilities at the Department of the Treasury; additional personnel to provide adequate coverage of the Superfund and underground storage tank programs at EPA; and additional audits of contractors at NASA. (page 281)
- k. *Internal Controls and Audit Follow-up:* The budget requests \$3 million and 41 staff to establish or augment offices better to coordinate and manage internal controls and audit follow-up at the Departments of Agriculture (Farmers Home Administration), Housing and Urban Development, Interior and Veterans Affairs, and at NASA. Working with the agencies, OMB has identified more than 100 high-risk areas; and a central tracking system has been established to monitor corrective actions. Deputy Secretaries and Deputy Administrators have been told that it is their personal responsibility to ensure that management integrity is maintained and strengthened and that their agencies' progress must be reported regularly. OMB is also revising its instructions to agencies to require budget information sufficient to ensure necessary resources to correct high risk weaknesses. (page 281)
- l. *Presidential Priority Systems:* The budget requests nearly \$2 billion to design, acquire, and operate program information systems which the Administration has established as Presidential Priority Systems, \$402 million more than in 1990. These systems include the Social Security Administration's Information Technology System, Patent and Trademark automation, the Department of the Treasury's tax system modernization, government-wide financial management systems, the General Services Administration's FTS 2000 system, systems under the Department of Transportation's National Airspace Plan, the Integrated Border Information System, the Department of Commerce's Advanced Weather System, and the Securities and Exchange Commission's EDGAR System. (page 282)
- m. *Management Support Systems:* The budget requests \$558 million for management support systems enhancement, \$54 million more than in 1990. These funds will permit continued improvement of financial systems throughout the government so as to provide more accurate and timely information to agency

managers and central agencies. The funds will also assist linking these systems electronically in a government-wide network. (page 282)

- n. *Credit Management Systems*: The budget requests \$860 million for credit management an increase of \$58 million over 1990. The Office of Management and Budget and the Department of the Treasury have also upgraded the effort to implement the comprehensive credit management and debt collection program known as the "Nine-Point Program." (page 282)
- o. *Pay Reform*: The budget allows agencies to use up to \$328 million to begin Federal pay reform. The Administration will seek legislation to authorize geographic differentials for all personnel of up to 8 percent in New York, Los Angeles and San Francisco; 5 percent increases in starting salaries nationwide at GS-5 and GS-7 levels for college entry-level occupations; the extension of current authority to hire at pay levels above the minimum step to all grades; and bonuses to recruit, retain or relocate critical skill workers. The budget will also continue pay demonstrations in the Defense Department, the Federal Aviation Administration and the National Institute of Standards and Technology to demonstrate the effects of pay on recruitment and retention. (page 283)

C. MANAGING BY OBJECTIVES

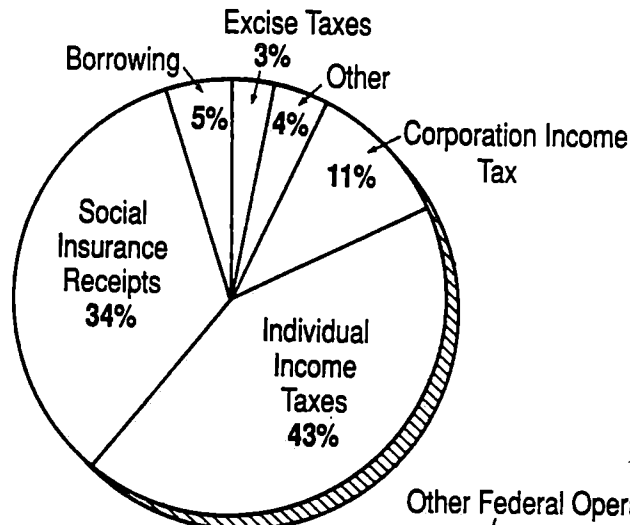
In *Building a Better America*, President Bush directed the establishment of a Presidential Management by Objectives (MBO) system. Its purpose is to track the implementation of selected major policy initiatives and priorities of the Administration from the time of their formulation and announcement to their ultimate outcomes.

The President approved specific objectives for each of the Cabinet departments and participating agencies, as well as Government-wide cross-cutting objectives, in July 1989. The departments and agencies have prepared strategies for achieving these objectives and have identified milestones for measuring their progress. The budget requests resources for the Presidentially approved objectives within overall spending constraints. The objectives themselves are listed at pages 289-300 of the *Budget*.

The Federal Government Dollar

Fiscal Year 1991 Estimate

Where It Comes From...



Where It Goes...

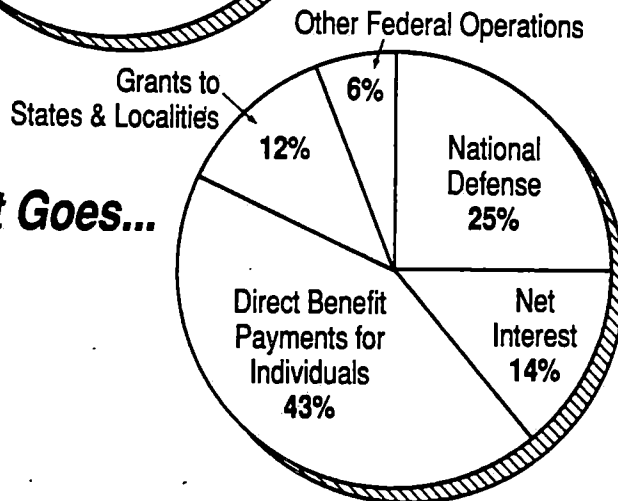


Table 1. RECEIPTS, OUTLAYS, DEFICIT/SURPLUS UNDER THE PRESIDENT'S PROPOSED POLICY

(In billions of dollars)

	1989	1990	1991	1992	1993	1994	1995
Receipts	990.7	1,073.5	1,170.2	1,246.4	1,327.6	1,408.6	1,486.3
Outlays	1,142.6	1,197.2	1,233.3	1,271.4	1,321.8	1,398.0	1,476.9
Surplus or Deficit (+/-)	-152.0	-123.8	-63.1	-25.1	+5.7	+10.7	+9.4

Note: Detail may not add to total due to rounding.

Table 2. OUTLAYS BY FUNCTION: 1989-95

(In billions of dollars)

Function	1989 actual	Estimate					
		1990	1991	1992	1993	1994	1995
050 National defense.....	303.6	296.3	303.3	309.2	311.9	315.7	318.6
(Department of Defense—Military).....	(294.9)	(286.8)	(292.1)	(296.9)	(299.0)	(302.3)	(304.8)
(Other)	(8.7)	(9.6)	(11.1)	(12.3)	(12.9)	(13.4)	(13.7)
150 International affairs	9.6	14.6	18.2	19.4	18.8	18.9	19.7
250 General science, space, and technology	12.8	14.1	16.6	19.4	21.4	22.9	24.0
270 Energy.....	3.7	3.2	3.0	3.1	3.2	3.0	2.6
300 Natural resources and environment.....	16.2	17.5	18.2	18.9	18.4	18.3	17.8
350 Agriculture	16.9	14.6	14.9	15.6	13.5	11.8	10.4
370 Commerce and housing credit	27.7	22.7	17.2	10.3	9.6	7.7	6.2
(On-budget)	(28.0)	(20.3)	(15.5)	(9.6)	(9.5)	(7.8)	(6.6)
(Off-budget)	(-0.3)	(2.4)	(1.7)	(0.7)	(0.1)	(-0.1)	(-0.4)
400 Transportation	27.6	29.2	29.8	30.2	30.7	31.3	31.3
450 Community and regional development..	5.4	8.8	7.8	6.5	6.1	5.9	6.2
500 Education, training, employment, and social services	36.7	37.7	41.0	42.9	43.5	44.1	44.9
550 Health.....	48.4	57.8	63.7	69.9	75.9	82.0	88.3
570 Medicare	85.0	96.6	98.6	110.1	121.9	135.0	149.1
600 Income security.....	136.0	146.6	153.7	159.6	166.3	174.6	181.4
650 Social security.....	232.5	248.5	264.8	280.9	297.7	314.6	331.4
(On-budget)	(5.1)	(3.9)	(4.7)	(5.6)	(6.0)	(6.4)	(6.9)
(Off-budget)	(227.5)	(244.6)	(260.1)	(275.3)	(291.7)	(308.2)	(324.6)
700 Veterans benefits and services	30.1	28.9	30.3	31.0	33.3	32.6	31.7
750 Administration of justice.....	9.4	10.5	12.6	13.9	14.2	14.3	14.6
800 General government.....	9.1	10.6	11.3	11.9	25.8	65.2	113.5
900 Net interest	169.1	175.6	173.0	163.5	157.0	147.8	136.1
(On-budget)	(180.5)	(191.2)	(192.9)	(188.1)	(187.1)	(184.1)	(178.9)
(Off-budget)	(-11.4)	(-15.6)	(-19.9)	(-24.6)	(-30.1)	(-36.3)	(-42.8)
920 Allowances:							
Employee health benefits reform			-0.8	-0.9	-1.0	-1.0	-1.1
Reduced Government mail rates			-0.2	-0.2	-0.2	-0.2	-0.2
Total allowances			-1.1	-1.1	-1.2	-1.2	-1.3
950 Undistributed offsetting receipts:							
Employer share, employee retirement:							
On-budget	-29.4	-28.3	-30.1	-30.8	-32.1	-33.9	-35.0
Off-budget	-4.9	-5.6	-6.0	-6.5	-7.1	-7.7	-8.3
Rents and royalties on the Outer Continen- tal Shelf.....	-2.9	-2.6	-3.0	-3.4	-3.1	-3.3	-3.3
Sale of major assets			-1.3	-1.6	-1.6	-1.6	-1.6
Other undistributed offsetting receipts			-3.3	-1.5	-2.3	-0.1	-1.3
Total undistributed offsetting receipts	-37.2	-36.5	-43.6	-43.8	-46.2	-46.6	-49.5
(On-budget)	(-32.4)	(-30.9)	(-37.6)	(-37.4)	(-39.1)	(-38.9)	(-41.2)
(Off-budget)	(-4.9)	(-5.6)	(-6.0)	(-6.5)	(-7.1)	(-7.7)	(-8.3)
Total outlays	1,142.6	1,197.2	1,233.3	1,271.4	1,321.8	1,398.0	1,476.9
(On-budget).....	(931.7)	(971.5)	(997.4)	(1,026.5)	(1,067.1)	(1,133.9)	(1,203.8)
(Off-budget).....	(210.9)	(225.8)	(236.0)	(244.9)	(254.7)	(264.1)	(273.1)

Note: Detail may not add to total due to rounding.

Table 3. BUDGET AUTHORITY BY FUNCTION: 1989-95

(In billions of dollars)

Function	1989 actual	Estimate					
		1990	1991	1992	1993	1994	1995
050 National defense.....	299.6	301.6	306.9	312.5	317.5	321.6	325.7
(Department of Defense—Military).....	(290.8)	(291.4)	(295.1)	(300.0)	(304.4)	(308.0)	(311.8)
(Other).....	(8.7)	(10.3)	(11.7)	(12.6)	(13.1)	(13.6)	(13.9)
150 International affairs.....	17.3	18.6	20.0	19.6	20.1	20.5	21.6
250 General science, space, and technology	12.9	14.6	17.9	20.8	22.7	24.1	25.0
270 Energy.....	4.1	5.6	3.3	4.1	4.6	4.4	4.2
300 Natural resources and environment.....	17.0	17.0	17.6	18.0	17.5	17.2	16.4
350 Agriculture.....	21.3	18.0	20.1	21.1	18.9	14.9	15.1
370 Commerce and housing credit.....	61.9	19.6	14.3	13.9	13.8	15.5	14.4
(On-budget).....	(60.3)	(15.5)	(11.3)	(11.7)	(12.1)	(13.9)	(13.0)
(Off-budget).....	(1.6)	(4.1)	(3.0)	(2.2)	(1.7)	(1.5)	(1.4)
400 Transportation.....	29.3	31.2	30.3	31.3	31.7	31.7	32.4
450 Community and regional development..	7.9	9.0	7.0	6.2	6.2	6.1	6.1
500 Education, training, employment, and social services.....	38.8	39.6	42.0	42.9	43.7	44.4	45.0
550 Health.....	51.7	60.3	64.8	70.9	76.8	83.0	89.6
570 Medicare.....	107.3	116.9	125.2	136.4	150.8	164.9	178.8
600 Income security.....	173.4	183.2	198.9	204.4	211.9	221.1	227.7
650 Social security.....	285.0	310.5	345.1	374.0	405.1	438.8	468.7
(On-budget).....	(5.1)	(3.9)	(4.7)	(5.6)	(6.0)	(6.4)	(6.9)
(Off-budget).....	(279.9)	(306.6)	(340.4)	(368.4)	(399.1)	(432.4)	(461.8)
700 Veterans benefits and services.....	30.0	30.0	31.0	31.5	32.1	32.8	33.6
750 Administration of justice.....	10.0	12.2	12.6	13.2	14.2	14.4	14.9
800 General government.....	10.6	10.5	11.4	11.6	25.7	65.3	113.7
900 Net interest.....	169.1	175.6	173.0	163.5	157.0	147.8	136.1
(On-budget).....	(180.5)	(191.2)	(192.9)	(188.1)	(187.1)	(184.1)	(178.9)
(Off-budget).....	(-11.4)	(-15.6)	(-19.9)	(-24.6)	(-30.1)	(-36.3)	(-42.8)
920 Allowances:							
Employee health benefits reform.....			-0.8	-0.9	-1.0	-1.0	-1.1
Reduced Government mail rates.....			-0.2	-0.2	-0.2	-0.2	-0.2
Total, 920 Allowances.....			-1.1	-1.1	-1.2	-1.2	-1.3
950 Undistributed offsetting receipts:							
Employer share, employee retirement:							
On-budget.....	-29.4	-28.3	-30.1	-30.8	-32.1	-33.9	-35.0
Off-budget.....	-4.9	-5.6	-6.0	-6.5	-7.1	-7.7	-8.3
Rents and royalties on the Outer Continen- tal Shelf.....	-2.9	-2.6	-3.0	-3.4	-3.1	-3.3	-3.3
Sale of major assets.....			-1.3	-1.6	-1.6	-1.6	-1.6
Other undistributed offsetting receipts.....			-3.3	-1.5	-2.3	-0.1	-1.3
Total, 950 Undistributed Offsetting Receipts.....	-37.2	-36.5	-43.6	-43.8	-46.2	-46.6	-49.5
(On-budget).....	(-32.4)	(-30.9)	(-37.6)	(-37.4)	(-39.1)	(-38.9)	(-41.2)
(Off-budget).....	(-4.9)	(-5.6)	(-6.0)	(-6.5)	(-7.1)	(-7.7)	(-8.3)
Total Budget Authority.....	1,309.9	1,337.6	1,396.5	1,451.1	1,522.7	1,620.9	1,718.1
(On-budget).....	(1,044.6)	(1,048.1)	(1,079.0)	(1,111.6)	(1,159.1)	(1,231.0)	(1,306.0)
(Off-budget).....	(265.3)	(289.5)	(317.5)	(339.6)	(363.7)	(389.9)	(412.1)

Note: Detail may not add to total due to rounding.

Table 4. BUDGET AUTHORITY BY AGENCY: 1989-1995

(In billions of dollars)

Department or other unit	1989 actual	Estimate					1995
		1990	1991	1992	1993	1994	
Legislative Branch.....	2.3	2.2	2.7	2.7	2.7	2.9	2.9
The Judiciary.....	1.5	1.7	2.1	2.3	2.3	2.4	2.5
Executive Office of the President.....	0.1	0.3	0.4	0.4	0.4	0.4	0.4
Funds Appropriated to the President.....	11.0	12.4	12.4	12.7	13.1	13.3	13.9
Agriculture.....	55.7	55.1	55.3	56.2	55.3	53.4	55.9
Commerce.....	2.8	3.6	2.5	2.4	2.5	2.4	2.2
Defense—Military.....	290.8	291.4	295.1	300.0	304.4	308.0	311.8
Defense—Civil.....	37.2	36.7	38.4	40.1	42.3	44.6	46.7
Education.....	23.0	24.1	24.6	24.2	24.4	24.5	24.7
Energy.....	11.7	14.3	14.8	16.9	17.6	17.8	18.0
Health and Human Services—except social security.....	196.6	212.3	232.4	249.3	270.7	293.5	314.3
Health and Human Services—social security	279.9	306.6	340.4	368.4	399.1	432.4	461.8
Housing and Urban Development.....	14.3	18.4	23.7	22.2	22.2	21.9	22.1
Interior.....	5.5	6.2	5.6	5.7	5.7	5.8	5.7
Justice.....	6.7	8.6	8.9	9.3	9.8	9.8	10.1
Labor.....	29.9	32.5	32.1	32.3	33.0	33.5	33.9
State.....	4.1	4.2	5.5	4.7	4.8	4.9	5.1
Transportation.....	28.5	30.2	29.3	30.3	30.7	30.7	31.3
Treasury.....	232.1	248.5	256.1	258.9	275.9	316.5	363.2
Veterans Affairs.....	29.9	29.9	30.9	31.4	32.0	32.7	33.5
Environmental Protection Agency.....	5.1	5.4	5.4	5.2	5.0	4.4	3.9
General Services Administration.....	0.2	0.1	*	0.1	0.1	0.1	0.1
National Aeronautics and Space Administration.....	11.0	12.3	15.2	17.6	19.3	20.3	21.0
Office of Personnel Management.....	51.2	55.6	58.2	61.3	64.5	68.0	70.8
Small Business Administration.....	0.4	0.9	0.4	0.5	0.5	0.5	0.6
Other Independent Agencies.....	67.5	21.3	17.8	19.6	19.6	21.5	20.0
Allowances.....			-1.1	-1.1	-1.2	-1.2	-1.3
Undistributed offsetting receipts.....	-89.2	-97.3	-112.6	-122.5	-133.7	-144.0	-156.8
(On-budget).....	(-72.9)	(-76.1)	(-86.8)	(-91.4)	(-96.5)	(-100.0)	(-105.6)
(Off-budget).....	(-16.3)	(-21.2)	(-25.9)	(-31.1)	(-37.2)	(-44.0)	(-51.1)
Total budget authority.....	1,309.9	1,337.6	1,396.5	1,451.1	1,522.7	1,620.9	1,718.1

Note: Detail may not add to total due to rounding.

* \$50 million or less.

Table 5. OUTLAYS BY AGENCY: 1989-1995
(In billions of dollars)

Department or other unit	1989 actual	Estimate					
		1990	1991	1992	1993	1994	1995
Legislative Branch.....	2.1	2.3	2.7	2.8	2.7	2.8	2.8
The Judiciary.....	1.5	1.7	2.0	2.2	2.3	2.4	2.4
Executive Office of the President.....	0.1	0.2	0.3	0.4	0.4	0.4	0.4
Funds Appropriated to the President.....	4.3	9.2	12.2	13.2	12.5	12.5	13.3
Agriculture.....	48.3	48.2	48.7	50.3	48.7	47.8	47.4
Commerce.....	2.6	3.9	2.8	2.7	2.7	2.6	2.3
Defense—Military.....	294.9	286.8	292.1	296.9	299.0	302.3	304.8
Defense—Civil.....	23.5	24.8	25.5	26.6	27.7	28.8	29.9
Education.....	21.6	22.3	23.7	24.1	24.1	24.3	24.5
Energy.....	11.4	12.3	13.4	15.7	16.5	17.2	17.7
Health and Human Services—except social security.....	172.3	191.2	204.1	222.6	241.2	262.9	283.9
Health and Human Services—social security	227.5	244.6	260.1	275.3	291.7	308.2	324.6
Housing and Urban Development.....	19.7	22.8	23.0	23.9	24.3	25.0	26.1
Interior.....	5.2	5.8	5.7	5.7	5.8	5.8	5.7
Justice.....	6.2	6.9	9.0	10.1	9.9	9.7	9.9
Labor.....	22.7	24.9	26.3	27.0	27.8	28.7	29.8
State.....	3.7	3.8	4.1	4.3	4.4	4.5	4.6
Transportation.....	26.6	28.3	28.8	29.1	29.7	30.2	30.2
Treasury.....	230.6	247.2	254.9	257.7	274.5	315.1	361.9
Veterans Affairs.....	30.0	28.7	30.1	30.8	33.1	32.5	31.6
Environmental Protection Agency.....	4.9	5.5	5.8	5.7	5.6	5.4	5.2
General Services Administration.....	-0.5	0.3	*	0.3	0.3	0.2	0.1
National Aeronautics and Space Administration.....	11.0	12.0	14.1	16.4	18.1	19.4	20.1
Office of Personnel Management.....	29.1	33.2	33.6	34.8	37.4	39.8	42.3
Small Business Administration.....	0.1	1.1	0.3	0.1	0.2	0.3	0.4
Other Independent Agencies.....	32.5	26.6	23.5	16.4	16.0	14.4	13.3
Allowances.....	-1.1	-1.1	-1.2	-1.2	-1.3
Undistributed offsetting receipts.....	-89.2	-97.3	-112.6	-122.5	-133.7	-144.0	-156.8
(On-budget).....	(-72.9)	(-76.1)	(-86.8)	(-91.4)	(-96.5)	(-100.0)	(-105.6)
(Off-budget).....	(-16.3)	(-21.2)	(-25.9)	(-31.1)	(-37.2)	(-44.0)	(-51.1)
Total outlays.....	1,142.6	1,197.2	1,233.3	1,271.4	1,321.8	1,398.0	1,476.9

Note: Details may not add to total due to rounding.
* \$50 million or less.

THE WHITE HOUSE
WASHINGTON

Date:

11/30/90

TO:

Chriss Winston

FROM:

CLARK KENT ERVIN
Office of National Service
x6266

- Action
- Your Comment
- Let's Talk
- FYI

Attached are all comments on
"1990 Agenda Talking Points"

WHITE HOUSE STAFFING MEMORANDUM

DATE: 01/29/90 ACTION/CONCURRENCE/COMMENT DUE BY: NOON 01 30/90

SUBJECT: 1990 AGENDA TALKING POINTS

	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"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BENNETT</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>DELAND</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>BROMLEY</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			<u>PETERSMEYER</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by NOON on Tuesday, 01 31, with a copy to my office. Thanks.

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RESPONSE:

90 JAN 30 4:25

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

DRAFT

The highlights of President Bush's domestic agenda for 1990, as outlined in his budget released January 29, include:

PM 7:19

1. Economy

* The President's plan calls for a balanced federal budget by the year 1993, and includes a proposal to begin paying off the national debt.

* He'll push to maintain our economic strength by encouraging increased investment and productivity, and reduce the deficit with no new taxes.

* The President will work to reduce tax rates for capital gains and create a new tax-exempt Family Savings Account to encourage individual savings.

2. Social Security

* The President has pledged he will not jeopardize the integrity of the Social Security system.

3. Education

* The budget request for education is the highest ever proposed, including a half billion dollar increase for the Head Start program.

* Agreement was reached at the President's historic education summit with the nation's governor's to establish unified goals for education, which the President will announce in his State of the Union speech.

* Enacting the provisions of the President's Educational Excellence Act is a top priority.

4. Child Care

* The President seeks to enhance parental choice in child care, by offering tax credits designed to let low and moderate income parents - not the federal government - decide what sort of child care best suits their needs.

5. Drugs

* The President's \$10.5 billion dollar national drug strategy is aimed at ending the scourge of drugs through a comprehensive program of drug treatment and prevention, interdiction and law enforcement.

* The second phase of his drug strategy calls for tougher laws and the death penalty for drug kingpins. The President has also singled out five areas as designated high intensity drug zones.

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6. Environment

* Enacting tough new Clean Air requirements to reduce acid rain, urban smog and air pollution are among the President's chief priorities. He wants to elevate the Environmental Protection Agency to Cabinet level status.

* His "America the Beautiful" initiative expands federal parkland, creates additional wildlife refuges, and establishes a new reforestation program that calls for the planting of more than a billion new trees.

7. Housing

* The President has proposed a special homeless initiative which is designed to develop innovative approaches to providing housing for homeless individuals and families. Additionally, his new "Shelter Plus" program would help the homeless who are mentally ill or drug or alcohol abusers.

* The President's HOPE project sets out a comprehensive new housing and urban development agenda. It will help low income families become homeowners and increase housing opportunities for other low income families. Enterprise zones will help revitalize distressed low income communities.

8. Competitiveness

* Tort Reform, an expanded budget for Space exploration, record high budget proposals for research and development, and a permanent tax credit for research and experimentation are all part of the President's plan to make sure America is competitive in the world.

9. National Defense

* In the wake of the dramatic changes that are taking place abroad, the President has proposed a defense budget that begins the transition to a restructured military.

* To help preserve our national security and advance America's interest abroad, the President will move ahead with programs such as the Strategic Defense Initiative and the Stealth Bomber.

10. Thousand Points of Light Initiative

* Through his Thousand Points of Light campaign, the President has promoted community service in America and encouraged Americans to give of their time and effort to help others in need.

engage every individual family, corporation, firm, union, school, place of worship, club, group and organization in America in direct and consequential action to solve community problems

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