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Accomplishments List, 1989

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THE WHITE HOUSE
WASHINGTON

UPDATE 2

November 21, 1989

MEMORANDUM TO INTERESTED PARTIES

FROM: DAVID DEMAREST

SUBJECT: COMMUNICATIONS PLAN FOR ONE YEAR BUSH ACCOMPLISHMENTS

OBJECTIVE:

To communicate the accomplishments of the Bush Administration's first year through outreach efforts to the public, constituency groups, the media, the Congress and grass-root Republicans.

BACKGROUND:

Public Affairs is preparing a document outlining first year accomplishments to be released in early December. The document will be distributed by mass mailings and in briefings. The targeted audience is the media and constituency groups, both from the White House and Agencies.

Input by the Agencies will be included in the White House version of the accomplishments, through the normal staffing process (ie. Cabinet Affairs). But we will also request the Public Affairs Directors develop a more detailed Departmental accomplishments list to distribute to their own targeted media and constituency group lists.

OUTREACH:

The following describes potential avenues for outreach across the United States -- providing individuals with current and accurate information regarding President Bush's first year in office:

The Media

The White House:

- targeted mailings of White House document to national media
- December and January White House briefings with editors and publishers

Agencies:

- targeted mailings of Department's document to specialty trade press and "beat" reporters
- letters to the editors and op-eds generated by Cabinet Members and other top Administration officials
- Cabinet Members conduct satellite interviews

Constituency Groups and other Audiences

The White House:

-- mass mailing of WH document by various WH offices. Specific guidelines discussed below in "Miscellaneous." **

-- all White House offices to incorporate document in Dec/Jan briefings.

Agencies:

-- mass mailing of Department documents to their constituency group lists

-- Department documents incorporated in Dec/Jan briefings

TIMELINE: (for White House accomplishments document)

Monday, November 20

Accomplishments document to be staffed.

Tuesday, November 21

Department Public Affairs briefing -- 11:00 a.m., OEOB 180

Wednesday, November 22

Staffing comments due on accomplishments document.

Wednesday, December 6

Accomplishments document to printer.

People Magazine conducts interview with the President on his first year in office.

OPL briefing for Foreign Policy leaders. (tentative)

Monday, December 11 -- official release date

Distribution of document to White House press corps and mass mailing of document to begin.

Media Relations editors luncheon and briefing. (tentative)

Legislative Affairs briefing for Hill Press Secretaries. (tentative)

Agency Public Affairs briefing. (tentative)

Week of December 11

Cabinet and Hill Leadership meetings scheduled to occur (separately). (tentative)

Begin selling satellite interviews with Cabinet Members.

Op-eds by Cabinet Members begin running.

Tuesday, December 12

OPL briefing for Business leaders.

Thursday, December 14

OPL briefing for Conservative leaders.

Week of December 18 - 20

Time, Newsweek, and US News and World Report Magazines conduct interviews of the President on his first year in office.

January

Media Relations briefing and dinner for publishers.

Political Affairs will be meeting with their constituency groups throughout the month of January for various reasons. They are interested in conducting briefings on the accomplishments while their constituents are in town. (RNC annual meeting, B/Q chairmen reunion, inaugural reunion, Finance meetings, and possible RNC field staff)

Wednesday, January 10

Business Week Magazine conducts interview of the President on his first year in office.

MISCELLANEOUS: **

Mailings

White House document to be distributed by: Public Affairs, Public Liaison, Media Relations, Intergovernmental, Political Affairs/RNC, Legislative Affairs and the Vice President's office. Each office is responsible for their own distribution, but will be provided the document. Please check with Public Affairs on distribution lists and numbers.

The Department Public Affairs offices will distribute their own set of accomplishments to media and constituency lists (please confirm lists with White House Public Affairs).

Briefings

Intergovernmental Affairs would like to offer their constituents the opportunity to attend an already scheduled White House briefing on the accomplishments.

Media

The White House Public Affairs and Media Relations Office will coordinate with the Department Public Affairs Offices in arranging satellite interviews for Cabinet Members.

Department Public Affairs Directors will arrange their own Cabinet Member's op-eds and letters to the editors via their normal process. (please send a copy of everything published to the White House public affairs office)

###

November 7, 1989

BUILDING A BETTER AMERICA

ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

KEEPING THE ECONOMY STRONG

- Record expansion now in its 83rd month as of October; over 20 million new jobs created; 119 million Americans working.
- Initial budget agreement reached with Congress.
- Capital gains tax cut passed the House of Representatives.
- Savings and loan bailout legislation enacted into law.
- Minimum wage proposal accepted with minor modifications.
- Brady plan on Third World debt implemented.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

- American-Soviet meeting to be held December 2-3; Formal summit to take place late spring or early summer.
- \$490 million aid package for Poland and Hungary proposed.
- Paris Economic Summit held; allied agreement to concert efforts assisting reform in Poland and Hungary.
- NATO Summit held; President declares era holds great promise for prospect of "Europe whole and free."
- Central American bipartisan accord reached with Congress.
- New initiatives proposed on START and Chemical Weapons.

INVESTING IN OUR FUTURE

- Education Summit held with Governors and Cabinet.
- Educational Excellence Act sent to Congress.
- National Drug Control Strategy proposed; Address to Nation.
- Clean Air Act revisions sent to Congress.
- Natural Gas Decontrol legislation enacted into law.
- Comprehensive Violent Crime Act sent to Congress.
- Space exploration commitment made to Space station, permanent presence on the Moon, manned mission to Mars.

WORKING FOR A KINDER, GENTLER AMERICA

- Child care legislation sent to Congress; also provides increases for Head Start.
- Points of Light initiative announced.
- Full funding of McKinney Homeless Assistance Act proposed.
- Campaign Finance Reform legislation sent to Congress.
- Government-wide Ethics Act sent to Congress.
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- **Legislation ensuring civil rights protections for disabled Americans** passed the Senate.

guidance from Darman's shop on GRH
Janet Hale

ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

ECONOMY:

- Longest peace time economic expansion, over 20 million new jobs created; 119 million Americans working.
- Initial Budget agreement ~~to meet GRH targets w/ no new taxes~~
- Savings and Loan crisis resolution - *Cap gains passed House* ~~Financial Institution Reform, Recovery and Enforcement Act of 1989~~ *enacted into law*
- Minimum Wage proposal accepted with minor modifications.
- Implementation of the Brady Plan on Third World Debt

INTERNATIONAL:

- Aid package for Poland and Hungary proposed *Beyond Containment policy estab money*
- Paris Economic Summit held
- NATO Summit held; *Condi Rice re USSR + Eastern Eur.*
- Central American Accord agreed to *- ? Costa Rican visit*
- American-Soviet ~~Summit~~ *meeting* set for December 2 - 3
- New initiatives proposed on START and Chemical Weapons; ~~significant progress on nuclear testing~~

INVESTING IN OUR FUTURE:

- Education Excellence Act introduced
- Charlottesville Education Summit held; ~~Jeffersonian compact w/ govt.~~ *not 4 education goals to be estab*
- Clean Air Act Revisions proposed
- Natural Gas Deregulation enacted
- Crime Package - Comprehensive Violent Crime Act of 1989 proposed
- National Drug Control Strategy proposed

KINDER, GENTLER AMERICA:

- Child Care - Working Family Child Care Assistance Act of 1989 proposed; substantial increase for Head Start
- Points of Light Initiative introduced
- ~~Disabled - ~~anti~~ rights legislation~~ *civil rts proposed*
- Homelessness - funding of McKinney Act proposed
- Campaign Finance Reform sent to Congress
- Government-Wide Ethics Act proposal sent to Congress

Three-step commitment to Space
Hugo's Earthquake disaster relief

November 7, 1989

BUILDING A BETTER AMERICA

ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

SUMMARY

KEEPING THE ECONOMY STRONG

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- Initial Budget agreement reached with Congress.
- Capital Gains Tax Cut passed the House of Representatives.
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SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

- to 490m*
- American-Soviet meeting to be held December 2-3; Formal summit ~~set for date?~~ *to take place late spring* *concert efforts*
 - ~~XXX~~ Aid package for Poland and Hungary proposed.
 - Paris Economic Summit held. *allied agreement to assist reform in Poland/Hungary*
 - NATO Summit ~~held~~; new policy named? *off proposal*
 - Central American bipartisan accord reached with Congress.
 - New initiatives proposed on START and Chemical Weapons. *Pres declares Europe Whole & Free*
- na holds great promise for prospect of*
- INVESTING IN OUR FUTURE

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- Child Care legislation sent to Congress; ~~provides a new refundable child care tax credit,~~ *also provides* increases for Head Start.
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 - Campaign Finance Reform legislation sent to Congress.
 - Government-wide Ethics Act sent to Congress.
 - Civil rights protections for disabled Americans *sought.*
- Legislation ensuring* *passed the Senate.*

#

restore real competition to American Congressional elections.

- o **Civil Rights:** The President has called upon Congress to reauthorize the Commission on Civil Rights and is committed to seek legislation extending civil rights protections to disabled Americans. The Administration has endorsed the Hate Crimes Bill which provides for the collection of data about crimes motivated by race, religion, or ethnicity. The Civil Rights Division of the Department of Justice has vigorously pursued the enforcement of the Fair Housing Amendments Act of 1988 which became effective in March.
- o **Ethics:** President Bush sent his ethics reform legislation, *any action?* The Government-Wide Ethics Act, to the Congress on April 12, and he issued an Executive Order announcing ethical principles for the conduct of executive branch employees.
- o **Whistleblower Protection:** On April 10, the President signed S. 20, the "Whistleblower Protection Act of 1989." This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.

THE WHITE HOUSE
WASHINGTON

September 1, 1989

MEMORANDUM TO: . OPINION LEADERS
FROM: DAVID DEMAREST ~~AA~~
ASSISTANT TO THE PRESIDENT FOR COMMUNICATIONS
SUBJECT: THE BUSH ADMINISTRATION'S ACCOMPLISHMENTS

We thought you would be interested in the latest review of Bush Administration initiatives and accomplishments. The President has moved forward on a number of fronts, in both domestic and foreign policy, to set the agenda for America.

We have enclosed a copy of the entire document, as well as a shorter executive summary.

September 1, 1989

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

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

KEEPING THE ECONOMY STRONG

- o **Record expansion:** During the current economic expansion -- now in its 80th month as of July -- over 20 million jobs have been created and the unemployment rate has fallen to levels not seen in 15 years. Income levels have risen sharply and growth in industrial output is nearly double that of Western Europe. Consumer price inflation has remained under five percent for the past seven years.
- o **Budget agreement:** The President has put forth a budget which restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes in fiscal year 1990. The President and Congress announced on April 14 a budget plan to reduce the estimated fiscal year 1990 deficit by about \$64 billion below fiscal year 1989.
- o **Savings and Loans:** On August 9, the President signed the **Financial Institution Reform, Recovery and Enforcement Act of 1989** to begin solving the savings and loan crisis. The President's plan calls for tough standards to help ensure such a crisis never happens again.
- o **Third World debt:** The Administration has taken the lead in finding a way to reduce the debt burden and encourage economic growth in developing countries. At the Administration's urging, the IMF and World Bank have set aside funds to support debt reduction programs for developing countries.

- o **Capital gains tax cut:** The President has sent to the Congress a proposal that would re-establish a capital gains differential to lower the cost of capital, create incentives for investment, make American business more competitive and create new job opportunities.
- o **Minimum wage:** The President, by vetoing the excessive across-the-board increase in the minimum wage proposed by Congress, preserved job opportunities for the disadvantaged and blunted the adverse economic impact such a move would have had.
- o **International Trade:** The Bush Administration successfully broke a stalemate in the Uruguay Round of multilateral trade negotiations and advanced its proposal to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with important trading partners to discuss structural impediments to expanding trade and encourage them to open their markets to our exports.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

- o **"Europe Whole and Free":** In two State visits to Europe, a series of major speeches and frequent meetings and contacts with European leaders, the President has set forth a vision of a new Europe -- secure, prosperous, whole and free -- successfully culminating four decades of Western policies and seizing an historic opportunity to move toward ending the postwar division of Europe.
- o **Poland and Hungary:** The President's strong support for unprecedented democratic change in Hungary and Poland was highlighted by his visits to those nations, where he encouraged internal reconciliation and cooperation. The President offered political and moral support as well as economic and trade incentives for further steps along the path of reform.
- o **Economic summit:** Under President Bush's leadership, the Paris Economic Summit agreed to support Polish and Hungarian economic reforms and to concert efforts for maximum effectiveness of Western assistance. The Economic Summit also made further progress on key U.S. economic and political objectives such as a strengthened debt strategy, economic policy coordination, completion of the Uruguay Round by December 1990 and, for the first time, international cooperation on protection of the environment.

- o **"Beyond Containment":** The President has welcomed the extraordinary political and economic changes underway in the Soviet Union. He has established a new American policy, "Beyond Containment," that seeks to integrate the Soviet Union into the community of nations. The President has accelerated the pace of arms control negotiations with the Soviet Union, and broadened the dialogue beyond human rights, bilateral and regional issues to include problems of global concern such as the environment, terrorism, and narcotics.
- o **NATO Summit:** The President seized the arms control initiative and won the strong support of our Allies with a bold proposal to reduce conventional forces in Europe. Calling for completion of negotiations within six months to a year, the President proposed deep cuts in manpower and equipment.
- o **China:** Visiting China soon after taking office, the President underscored the long-term strategic importance of the Sino-U.S. relationship and his support for the process of reform. In response to the subsequent suppression of the democratic movement in China, the President took actions making clear that we do not condone repression even while he worked to preserve the basic elements of this important relationship.
- o **Central American Accord:** The President and Congressional leaders agreed on March 24 on a bipartisan strategy for peace and democracy in Central America. With the agreement, for the first time in years, the U.S. has a broadly supported strategy aimed at bringing about free and fair elections in Nicaragua.
- o **Strengthening our Strategic Deterrent:** After a thorough review of U.S. defense strategy, the President submitted to the Congress a defense budget that will modernize our ability to deter war including, after more than a decade of debate, specific proposals for two mobile ICBMs. The strategic modernizations program also includes the revolutionary B-2 bomber and funding to support an informed development and deployment decision on the Strategic Defense Initiative within the next four years.

INVESTING IN OUR FUTURE

- o **Education:** The President proposed and sent to the Congress a comprehensive education package, **The Educational Excellence Act of 1989**, which includes seven initiatives -- on merit and magnet schools, alternative certification of teachers, excellence awards for teachers, emergency grants to help urban schools to fight drugs, increased funding for endowments at Historically Black Colleges, and a National Science Scholars program.
- o **Natural Gas Deregulation:** On July 26, the President signed into law the **Wellhead Decontrol Act of 1989**, which ends all remaining price controls on natural gas. This will phase out all federal price controls on natural gas by January 1, 1993.
- o **Clean Air Act revisions:** On July 21, President Bush transmitted to the Congress the first revisions to the **Clean Air Act** since 1977. His legislation is designed to drastically reduce three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions.
- o **Hazardous waste:** The President announced that he will seek new legislation to ban all exports of hazardous waste unless an agreement already exists with the receiving country to provide for its safe handling.
- o **Ozone depletion:** In order to prevent further damage to the earth's protective ozone layer, the President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available.
- o **Medical Waste:** The EPA has begun a tracking system for medical wastes and the Justice Department has started a task force to prosecute those who deliberately dump medical wastes into the Nation's waters -- the first step in a comprehensive program to help keep our beaches clean. The President is committed to end ocean dumping of sewage sludge by 1991.
- o **Wetlands:** The President is committed to "no net loss of wetlands" and is directing his executive branch agencies, through an interagency task force, to make recommendations to achieve that goal. He has also proposed \$206 million in his budget to expand parks and wildlife refuges.
- o **Combating Violent Crime:** President Bush transmitted to Congress **The Comprehensive Violent Crime Control Act of 1989** proposing measures to augment enforcement and prosecution,

strengthen current law, restrict certain semi-automatic weapons, and expand prison capacity.

- o **Fighting Drug Abuse:** The Administration is requesting over \$6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly \$1 billion for drug education, treatment and enforcement. In September, the President will announce the Administration's new drug strategy and budget.
- o **Drug-free Public Housing:** The Bush Administration is working to make public housing drug free, and to protect the rights of decent, law-abiding public housing residents.
- o **D.C. Anti-Drug Efforts:** The Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia by expanding the Metropolitan Area Task Force, by working for more prisons, and by providing support in enforcement and local treatment efforts.
- o **Space:** The President announced a three-step commitment to establish America's preeminence in space -- Space Station Freedom, a permanent presence on the Moon, and a manned mission to Mars -- for this and future generations.
- o **Transportation:** The Department of Transportation has begun a public outreach effort to develop a national transportation policy to move America into the 21st Century.

WORKING FOR A KINDER, GENTLER AMERICA

- o **Child Care:** The President has transmitted to the Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which provides a new refundable child care tax credit of up to \$1000 per child under age four, for low income working families. This legislation will also make the existing Child and Dependent Care Tax Credit refundable, and does not discriminate against religious or family-based child care or a parent who chooses not to work outside the home.
- o **Head Start:** The President has also transmitted legislation to Congress that would allow a \$250 million increase in Head Start FY 90 appropriations. This will pay for enrollment of up to 95,000 more four-year-olds in the program.
- o **National Service:** The President is spearheading a movement to call all Americans to national service. He has announced the formation of a foundation known as the **Points of Light Initiative** to identify, enlarge and duplicate those community service initiatives that are working and to discover and encourage new leaders.

- **Welfare Reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988, as the next step in welfare reform. The Administration is proposing to spend \$3.6 billion over the next five years to implement the JOBS program. The Act will help reduce the number of individuals who need welfare.
- **Medicaid:** To address the all-too-high infant mortality rate, the Administration forwarded to Congress legislation to improve federal Medicaid assistance to pregnant women, infants, and children.
- **Homelessness:** President Bush has called for full funding of the McKinney Homeless Assistance Act and for a new \$50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.
- **Enterprise Zones:** President Bush asked Congress to enact labor and capital-based incentives -- through enterprise zones -- to create jobs and entrepreneurial activity in our most distressed communities.
- **Campaign Finance Reform:** On June 29, the President announced comprehensive campaign finance proposals designed to lessen the power of special economic interests and restore real competition to American Congressional elections.
- **Civil Rights:** The President has called upon Congress to reauthorize the Commission on Civil Rights and is committed to seek legislation extending civil rights protections to disabled Americans. The Administration has endorsed the Hate Crimes Bill which provides for the collection of data about crimes motivated by race, religion, or ethnicity. The Civil Rights Division of the Department of Justice has vigorously pursued the enforcement of the Fair Housing Amendments Act of 1988 which became effective in March.
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September 1, 1989

BUILDING A BETTER AMERICA
ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

KEEPING THE ECONOMY STRONG

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

- o **Record peacetime expansion:** The current expansion reached 80 months in July. This is the second longest peacetime economic expansion in U.S. history, tying the World War II expansion of 80 months (from June 1938 - February 1945).
- o **Job creation:** Over 20 million new jobs have been created during this expansion, and this year, the unemployment rate has reached levels not seen in 15 years. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined.
- o **Record income:** Real per capita disposable personal income -- personal income after taxes and inflation -- has risen 19 percent during this expansion. Real median family income set a new record in 1987, the last year for which data are available.
- o **Industrial output:** During this expansion, American industrial output has grown almost 40 percent, nearly double Western Europe's growth rate in industrial output.
- o **Higher national saving and investment:** During the first nine months of fiscal year 1989, the Federal Government budget deficit was less than during the same period in the previous fiscal year. Partly due to the discipline of Gramm-Rudman-Hollings, the Federal deficit has declined from 6.3 percent of GNP in fiscal year 1983 to an estimated 2.9 percent this fiscal year. The personal saving rate rose to 5.5 percent during the first half of this year. Real, non-residential fixed investment as a percent of real GNP rose to 12.4 percent in the second quarter of 1989.
- o **Inflation under control:** Consumer price inflation has remained under five percent in each of the seven years from 1982 to 1988, and the recent slowing in economic growth to a sustainable rate will lessen price pressures in the near future.

ACTION BY THE ADMINISTRATION:

- o **Presenting a budget:** The President put forth a budget that provides for investment in future growth and competitiveness and addresses our fundamental obligations for national security and support of the needy. It also provides sufficient funds to advance high-priority initiatives such as protection of the environment, the fight against drugs, and the improvement of our educational system. The President's budget restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes in Fiscal Year 1990.
- o **Reaching a budget agreement with Congress:** The President and Congress announced on April 14 a budget plan to reduce the estimated Fiscal Year 1990 deficit by about \$64 billion below Fiscal Year 1989. The plan called for reducing the deficit to \$99.4 billion, meeting the targets set by the Gramm-Rudman-Hollings law. **This is the first budget agreement in recent years reached before the start of the budget year and not framed in the context of crisis.**
- o **Savings and Loan reform:** The President signed the **Financial Institution Reform, Recovery and Enforcement Act of 1989** on August 9. This legislation comes to grips with the problems facing our savings and loan industry, and will safeguard and stabilize America's financial system. The Act assures that the long developing problems in our savings industry will never happen again. It significantly reforms the regulation of the thrift industry and separates the chartering of the institutions from the insurance of deposits. It establishes strict new guidelines to assure the solvency of thrift institutions in the future, including new capital requirements, and sets stiff penalties for wrongdoing by the officers of insured institutions. Further, the act establishes new agencies to remedy existing problems in the thrift industry and authorizes funds to finance the restructuring of insolvent institutions.
- o **Addressing the international debt problem:** The Administration has taken the lead in encouraging commercial banks to reduce the debt and debt service burdens of developing countries. At the Administration's urging, the IMF and World Bank have agreed to support debt and debt service reduction in conjunction with their debtor programs to promote investment, growth, and the return of flight capital to these countries. The recent agreement between Mexico and commercial banks, with its emphasis on debt and debt service reduction, attests to the viability of the Administration's plan for resolving the debt problems of developing countries.

- **Capital gains tax rate cut:** A lower tax rate for long-term capital gains is a key element of President Bush's economic program. It will reduce the cost of capital in the U.S., create incentives for investment, and increase job opportunities. The President's proposal includes:
 - A 45 percent capital gains exclusion for qualified capital gains, or a 15 percent maximum capital gains tax rate at the taxpayer's option.
 - A phased-in increase in the qualifying holding period from one year to three years.
 - An exemption from the capital gains tax for families earning under \$20,000.
- **Minimum wage proposal:** The President believes in keeping job opportunities available for youth and for those seeking to enter the economic mainstream. The excessive across-the-board increase in the minimum wage which was passed by Congress would have had an adverse economic impact and cut job opportunities drastically. Accordingly, the President vetoed the bill. The veto was later sustained.
- **International Trade:** The Administration is forcefully promoting the opening of world markets. It successfully broke a stalemate in the Uruguay Round's mid-term review and put in place a framework, agreed to by the 96 member nations, to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with important trading partners to encourage them to open their markets to our exports. The Administration has created a high level interagency group to assure that U.S. trade and investment interests are addressed as the European Community works to create a single market in 1992.
- **Steel imports:** The President initiated a two-and-a-half year Steel Trade Liberalization Program designed to phase out, in a responsible and orderly manner, the Voluntary Restraint Arrangements (VRAs) that currently limit steel imports into the U.S. and to negotiate an international consensus to address trade-distorting practices.
- **Agricultural initiatives:** The Administration has announced additional advance deficiency payments of 10 percent to producers of wheat, feed grains, rice, and upland cotton. In addition, a top-level Working Group on Rural Development was established to focus on an action-oriented agenda.
- **National Energy Plan:** The President directed the Secretary of Energy to develop a comprehensive national energy strategy for the nation. The strategy will help the nation meet our energy security and environmental responsibilities and, at the same time, allow a sensible mix of energy sources to protect America's economic competitiveness.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

The President assumed office at a time of dramatic and vibrantly promising change in the world. From the Third World to the Communist World, surging internal forces of democratization and economic reform have shaken Marxist and other authoritarian regimes to their foundations. As they respond to these internal crises, unprecedented opportunities have arisen to resolve longstanding international disputes, to reduce the level of arms and military expenditures, and to promote the further spread of market economies and political pluralism. While this worldwide process of reform and change has and will inevitably encounter setbacks, a new course in history has been set. The President is determined to move on a broad front to seize this unique opportunity to strengthen world peace and the course of freedom.

ACTION BY THE ADMINISTRATION:

- o **"Europe Whole and Free":** In two State visits to Europe, a series of major speeches, and frequent meetings and contacts with European leaders, the President has set forth a vision of a new Europe -- secure, prosperous, whole, and free -- successfully culminating four decades of Western policies and seizing an historic opportunity to move toward ending the postwar division of Europe.
- o **Western Europe:** The President for the first time has declared the United States' unequivocal support for European unity and defense cooperation. He has proposed new mechanisms for consultation with the EC Commission and member states as the European Community heads toward a single market in 1992. Seeing the resurgence of Western Europe as a triumph of Western values and principles, the President welcomed its success, confident that a mature partnership will serve mutual interests.
- o **NATO Summit:** At the successful NATO Summit, the President's vision of Europe as well as agreement on a new conventional arms reduction initiative helped restore Alliance unity and confidence and define the Alliance's future agenda.
- o **Eastern Europe:** As Poland and Hungary take unprecedented steps toward pluralism, democracy, and market economic policies, the United States has signaled its strong support. These steps provide an opportunity not only for a democratic transition in these countries, but also for a broader process of European reconciliation. Offering political and moral support as well as economic assistance during his visits to Poland and Hungary, the President proposed major new initiatives for Poland and Hungary designed to further structural change that promises improved economic performance.

- o **Poland:** Following up on the program he announced earlier this year in Hamtramck, Michigan, the President called for action to declare Poland a beneficiary country under the U.S. Generalized System of Preferences. The Overseas Private Investment Corporation will be authorized to operate in Poland, and the US is proposing a private business agreement that will promote contacts between the private sectors of both countries. The President will ask Congress to provide a \$100 million fund to help capitalize and invigorate the Polish private sector and encourage the World Bank to move ahead with new loans to help Polish agriculture and industry. He has encouraged other members of the Paris Club to agree to an expeditious rescheduling of Polish debt. Finally, he will ask Congress for \$15 million in a cooperative venture with Poland to help fight air and water pollution in Krakow.
- o **Hungary:** The President will ask Congress to authorize a \$25 million fund as a source of new capital to invigorate the Hungarian private sector. As soon as new emigration legislation has passed the Hungarian Parliament, the President will inform Congress that Hungary is in full compliance with the restrictions of the Jackson-Vanik Amendments of the 1974 Trade Act. This will make Hungary eligible for Most-Favored-Nation tariff treatment for the maximum period allowable under the law. The President also declared Hungary a beneficiary country under our Generalized System of Preferences which will allow duty free entry of Hungarian products into the U.S. market. He also called for legislation to allow OPIC to operate in Hungary, and for greater scientific, technical, educational, and cultural exchanges between the US and Hungary. The President will seek to establish an International Environmental Center for Central and Eastern Europe in Budapest. Finally, he announced that the Peace Corps would operate in Hungary to enhance English language training -- the first time in a European country.
- o **The Economic Summit in Paris:** The mission of the President's historic visit to Poland and Hungary and his successful effort at the Paris Economic Summit was to promote concerted actions among the industrial democracies in the economic and political arenas. The industrial democracies demonstrated their unity, as they dealt with a variety of issues on the international economic agenda, as well as the problem of drugs and the environment.

- o **"Beyond Containment":** Seeing an historic process of change in the Soviet Union, the President has declared his intention to move beyond the successful policy of containment of Soviet power to a new policy whose goal is integrating the Soviet Union into the world community as a constructive partner. Positive changes so far in Soviet policies -- in human rights, economic reforms, and settlement of some international conflicts -- need to be encouraged and broadened. The United States will be ready to respond to such further developments. Already:

 - The US-Soviet dialogue on conflicts in regions of the Third World has resumed intensively, and discussions have begun on a new range of global problems that require global cooperation, such as terrorism, the environment, and narcotics.
 - In arms control, the President has accelerated the pace of negotiations, with new American initiatives on reducing conventional forces in Europe (endorsed by the NATO Summit), and on strategic arms reduction. U.S. initiatives also aim at early progress on verification. issues to further early agreement on strategic arms reductions.
- o **China:** On his visit to China in February, the President emphasized the long-term strategic importance of the U.S.-China relationship and his support for the process of reform. In response to the subsequent tragic suppression of the democratic movement in China, the President ordered the suspension of all government-to-government sales and commercial exports of weapons, suspension of visits between US and Chinese military leaders, sympathetic review of requests by Chinese students in the United States to extend their stay, and review of other aspects of US-PRC bilateral relations. The President's policy signals that repression cannot be condoned. But it also seeks to preserve the basic elements of a strategically important relationship that has, itself, played a major part in China's recent policy of reform and openness -- and can do so again in the future.
- o **Latin America:** The President has established a close, working relationship with Latin American neighbors to foster a new partnership on hemisphere problems like democracy, debt, and drugs. Relations with Mexico are closer than at any time in recent memory. The U.S. has also worked with the Organization of American States to develop a hemispheric consensus urging Manuel Noriega to leave power.
- o **Bipartisan Accord on Central America:** On March 24, the President and Congress agreed on a bipartisan plan for peace and democracy in Central America:

 - Regional peace: The President and Congress agreed that the region's democracies deserve our support, that

Nicaragua's subversion of its neighbors must end, and that Soviet support for violence and subversion in the hemisphere must also end.

- Humanitarian aid: Congress agreed to support the Administration's request for continued humanitarian assistance for the Nicaraguan Resistance at current levels through the elections in Nicaragua scheduled for February, 1990.
 - Democracy: The Communist Sandinistas are being put to the test to permit a real democratic electoral contest for political power, fulfilling the promises of democratic pluralism that they have made (and broken) so often before.
- o **Middle East:** The Administration is devoted to promoting progress toward peace in the Middle East by supporting the Government of Israel's May 14 initiative calling for Palestinian elections in the occupied territories. These elections can be a step toward a comprehensive peace settlement that assures Israel's security and the legitimate political rights of the Palestinians. The Administration also has supported the efforts of the Arab League and others to end the internecine warfare and slaughter of innocents, and to bring peace to Lebanon.
- o **A Strong Defense:** The President proposed to Congress a two-missile plan to maintain a strong, modernized strategic deterrent. The plan to deploy the rail-mobile Peacekeeper and the road-mobile Small ICBM will also give the U.S. momentum in strategic arms control negotiations.
- The President proposed to Congress an integrated package on strategic modernization that capitalizes on the revolutionary potential of the B-2, and modernizes the third leg of the Triad -- essential also to our arms control positions.
 - The President requested a funding level of \$4.6 billion for the Strategic Defense Initiative to support an informed development and deployment decision within the next four years.
 - The President also directed the Department of Defense to implement its recent blueprint to strengthen and streamline the weapons procurement process.
- o **Air Transportation Security:** The Administration has taken several measures to enhance security and efficiency in the air transportation system. These efforts include:
- A proposed 17% increase in the budget for the Federal Aviation Administration.
 - New requirements for installation of explosive detection devices in high-risk airports.
 - Intense international negotiations to enhance security abroad.

INVESTING IN OUR FUTURE

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

EDUCATION

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

ACTION BY THE ADMINISTRATION:

- o On April 5, the President proposed and sent to the Congress a comprehensive education package, **The Educational Excellence Act of 1989**, which includes seven initiatives:
 - **The Presidential Merit Schools program** -- to reward schools that are making substantial progress in raising students' educational achievement, creating a safe and drug-free school environment, and reducing the drop-out rate.
 - **A new Magnet Schools of Excellence program** -- to support the establishment, expansion or enhancement of magnet schools, increasing parental choice and improving quality education.
 - **The Alternative Certification of Teachers and Principals program** -- to assist States interested in broadening the pool of talent from which to recruit teachers and principals.
 - **President's Awards for Excellence in Education** -- to be awarded to public and private school teachers in every state who meet the highest standards of excellence.
 - **Drug-free Schools Urban Emergency Grants** -- to provide special assistance to selected urban school districts that are disproportionately affected by drug trafficking and abuse.
 - **A National Science Scholars program** -- to provide college scholarships to high school seniors who have excelled in the sciences and mathematics.
 - **Additional Funding Authorization for Endowment Matching Grants at Historically Black Colleges and Universities** -- to strengthen HBCUs by building endowments, an especially effective way to create financial strength and long-term security.

- o On April 24, the President issued a new **Executive Order on Historically Black Colleges and Universities (HBCUs)**. Highlights of the order include:
 - Establishing the President's Board of Advisors on Historically Black Colleges and Universities in the Department of Education.
 - Directing Federal agencies to increase opportunities for HBCU involvement in Federal programs and directing the Secretary of Education to develop an Annual Federal Plan for Assistance.
 - Calling for the White House Office of National Service, along with other Federal offices to work to encourage private sector support of HBCUs.

THE ENVIRONMENT

President Bush, a long-time environmentalist, has taken strong action to protect the environment. He believes that environmental protection, conservation, and wise management of our national resources must have a high priority on our national agenda.

ACTION BY THE ADMINISTRATION:

- o **Clean Air legislation:** President Bush transmitted to the Congress a sweeping program to ensure clean air for all Americans. The President's plan, transmitted to Congress on July 21, 1989, calls for the first revisions to the Clean Air Act since 1977 and is designed to curb three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions.
 - **Acid Rain:** Sulfur dioxide emissions that cause acid rain will be cut, by ten million tons from 1980 levels, and nitrogen oxide levels cut by two million tons -- by the end of this century. The Administration's bill is the only one which imposes a cap on emissions after the year 2000 to ensure that a ten million ton reduction is maintained. Companies will be allowed to trade credits among themselves for reductions they make, so that they can decide how to bring aggregate emissions down as cost-effectively as possible.
 - **Urban Air Pollution:** By employing a mix of federal measures and state initiatives, this legislation will sharply cut air pollution in our cities by the year 2000. The federal measures alone will cut hydrocarbon emissions -- which contribute to urban ozone -- by almost half.

Currently, 100 cities don't meet Federal air quality standards. This legislation will bring all but 4 cities into attainment with the ozone standard by 2000 -- and within 20 years, even Los Angeles, Houston and New York.

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

Automobile and fuel companies will be allowed to trade reduction credits among themselves.

- **Toxic Air Emissions:** All categories of airborne toxic chemicals should be cut by 75 percent by the year 2000. In its first phase, the President's plan should substantially reduce the number of deaths from cancer that are suspected to have been caused by toxic industrial air emissions.

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

- o **Natural Gas Decontrol:** On July 26, the President signed into law the **Wellhead Decontrol Act of 1989**, which ends all remaining price controls on natural gas. This will phase out all federal price controls on natural gas by January 1, 1993.
- o **Alaskan oil spill:** A Cabinet-level team was sent to assess the Alaskan oil spill, and a joint federal-state resource recovery team was convened. The National Transportation Safety Board is investigating the accident. Exxon has accepted responsibility for paying for the clean up, and for employing local civilian personnel necessary to control further damage.

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

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

- **Oil Spill Legislation:** On May 11, the Administration transmitted to Congress comprehensive oil pollution liability and compensation legislation that broadens and strengthens our existing patchwork of laws. The bill provides swift and assured compensation for clean up costs and damages through a liability system based on strict financial responsibility requirements for shipowners backed up by an oil-industry financed fund.
- **Outer Continental Shelf Task Force:** The President set up a special task force to address environmental concerns about oil and gas drilling off the coasts of California and Florida. Pending the recommendations of the task force, the President has postponed drilling activity in these areas.
- **Cleaning up hazardous wastes:** The President announced he will be seeking new legislation to amend the Resource Conservation and Recovery Act in order to give the United States Government authority to ban all exports of hazardous waste unless an agreement exists with the receiving country, providing for the safe handling and management of those wastes.
- Also, Secretary of Energy Watkins has put forth a plan of action to identify and prioritize clean up of defense and civilian radioactive waste; meet the Nation's security needs; and comply with environmental safety and health laws.
- **Superfund:** The President is reinvigorating the Superfund hazardous waste clean-up program by directing EPA to take a number of steps, including more aggressive action to force private parties to clean up sites, stepped-up cost recovery, and better use of existing emergency cleanup authorities. EPA is also now finishing a priority review of Superfund to improve its operation.
- **Ozone depletion:** The President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available, in order to prevent further damage to the Earth's protective ozone layer.
- **Clean water and coastlines:** The EPA has started a tracking system for medical wastes and the Justice Department has set up a task force to prosecute those who deliberately dump medical waste into our Nation's waters -- the first step in a comprehensive program to help keep our beaches clean. The President is committed to end ocean dumping of sewage sludge by 1991.
- **Wetlands, National Parks, and Reforestation:** The President is also committed to "no net loss of wetlands" and is directing his executive branch agencies, through an

interagency task force, to make recommendations to achieve that goal.

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

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

- o **Asbestos Ban:** On July 7, EPA announced an almost total phase-out of nearly all uses of asbestos by 1997. The ban will prohibit importation, manufacture, and processing of asbestos, a carcinogen linked to lung cancer and mesothelioma (lung and chest cancer).
- o **Improved Forecasting:** The Commerce Department announced that beginning in Fiscal Year 1990, the National Weather Service will modernize and restructure its operations to provide improved forecasting and weather warning systems. The new system will include advanced weather radar, observation automation, and a new communications system.
- o **Ban on African Elephant Ivory:** On June 9, the Administration announced an importation ban of African elephant ivory into the United States, making importation from any country illegal. The ban covers both commercial and non-commercial shipments.

COMBATTING VIOLENT CRIME

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

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

ACTION BY THE ADMINISTRATION:

- o On May 15, 1989, President Bush announced to Congress **The Comprehensive Violent Crime Control Act of 1989** to combat violent crime. The President's initiative includes:

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

In addition, the Attorney General has been directed to advise America's prosecutors to end plea bargaining for violent Federal firearms offenses.

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

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

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

President Bush requested funding for the hiring of 825 new Federal agents and staff -- 375 at the Bureau of Alcohol, Tobacco and Firearms; 300 at the FBI; and 150 Deputy U.S. Marshals. This offensive, including state and local enforcement authorities, will target violent criminals and repeat offenders.

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

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

- **Anti-Drug Treaty:** The Vienna Convention on Illicit Drugs and Psychotropic Substances was strongly endorsed

by the President and forwarded to the Congress for ratification. This is the most significant and far-reaching treaty on international cooperation on drug trafficking, chemical precursor control, and money laundering ever to be signed.

FIGHTING DRUG ABUSE

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

ACTION BY THE ADMINISTRATION:

- o **Budget:** The Administration is requesting over \$6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly \$1 billion for drug education, treatment, and enforcement.
- o **Education:** The Administration is requesting nearly \$1.1 billion for education and prevention efforts. This is a 16 percent increase over 1989 and includes funding for ongoing programs and new initiatives.
- o **Treatment:** Funding for drug abuse treatment will be increased 18 percent. The Administration is proposing over \$700 million to expand the nation's capacity to provide treatment, particularly to indigent, disadvantaged youth and expectant mothers.
- o **Interdiction and enforcement:** The Administration is proposing over \$4.6 billion for law enforcement programs in 1990, a 20 percent increase over 1989. This constitutes about 70 percent of President Bush's proposed drug budget. Substantial increases are requested in funding to strengthen inspection, interdiction, intelligence efforts and crop eradication programs, such as Operation Snow Cap, a federally led effort which broke up a \$1.2 billion drug money-laundering operation. The President strongly supports the death penalty for drug kingpins who commit drug-related murders, and will appoint judges who will strongly enforce the drug penalty laws.
- o **Public housing:** The Bush Administration is working to make public housing drug free, to protect the rights of the vast majority of decent, law-abiding public housing residents.

The Department of Housing and Urban Development has acted:

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

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

WORKING FOR A KINDER, GENTLER AMERICA

CHILD CARE

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

ACTION BY THE ADMINISTRATION:

- o **Child care:** The President transmitted to Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which:
 - Provides a new refundable child care tax credit of up to \$1000 per child under age four, for low income working families.
 - Makes the existing Child and Dependent Care Tax Credit refundable.
 - Does not discriminate against religious- or family-based child care, or a parent who chooses not to work outside the home.
- o The President has directed Secretary of Labor Dole to determine whether the barriers to securing liability insurance impair employer-provided child care.
- o **Head Start:** The President also transmitted legislation to Congress that would allow a \$250 million increase in Head Start appropriation. This will pay for enrollment of up to 95,000 more four-year-olds in the program.

NATIONAL SERVICE

The President's vision to help overcome the disintegration of communities and build a better America -- not through a federal government program, but through a nationwide service movement -- has three facets: First, to issue a call to all individuals and institutions to claim society's problems as their own; second, to identify, enlarge, and duplicate what is working; and third, to discover and encourage new leaders.

ACTION BY THE ADMINISTRATION:

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

- o **Identifying, Enlarging, and Recreating What is Working:** The President announced the formation of a foundation called the **Points of Light Initiative**, of which he will serve as Honorary Chairman. Formed to identify and build upon what is working, the Foundation will act as a magnet for the best ideas and brightest programs in community service and then serve as a catalyst to project these ideas into every corner of the nation. The Administration will ask Congress for \$25 million annually to support this initiative, which will, in turn, seek matching funds from the private sector. The President has also encouraged all governors nationwide to join the movement by forming State and local Points of Light working groups composed of outstanding leaders.
 - Through a Foundation initiative called the **ServNet Project**, professional firms, corporations, unions, schools, religious, civic and not-for-profit groups will be asked to donate the services of some of their most talented and promising people for a period of time. Peer-to-peer working groups will be formed to bring examples of successful initiatives and provide training, technical assistance and other support to enable other institutions to devise similar initiatives.
 - Another Foundation initiative, the **ServLink Project**, will help improve existing methods of matching would-be volunteers with purposeful service opportunities. ServLink will stimulate the development, through

private sector resources, of "technology links" like telephones, computers and other mechanisms between those who wish to serve and those needing service in the inquirer's own community.

- The Foundation will also discover and encourage new leaders by recognizing them through two new Presidential Awards:

- The National Service Youth Leadership Awards will be given each year to individuals.

- The President's Build A Community Awards will honor those people and institutions who have worked together to rebuild families or to revitalize communities.

WELFARE REFORM

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

ACTION BY THE ADMINISTRATION:

- o **Welfare reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988. The proposed rules are designed to:
 - Target job training assistance to those who are most likely to benefit and who are most at risk for long-term welfare dependency.
 - Provide maximum level of flexibility to AFDC parents in obtaining the type of child care that best suits their needs, consistent with the Administration's legislative proposals on child care.
 - The Administration is proposing to spend \$3.6 billion over the next five years implementing the JOBS Program. The changes will pay benefits in the future by reducing the number of individuals on welfare. It is estimated that 138,000 families will be able to leave welfare rolls over five years as a result of this program.

EXPANSION OF MEDICAID

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

ACTION BY THE ADMINISTRATION:

- o **Expanding Medicaid:** On April 18, the Administration forwarded to Congress proposed legislation to make federal programs better serve pregnant women, infants and children. The legislation would expand the population Medicaid serves, making Medicaid available to 1.9 million more women when they become pregnant. The legislation would:
 - Increase by 374,000 the number of pregnant women and children eligible for Medicaid.
 - Foster greater participation in Medicaid by eligible pregnant women by providing services to pregnant women who are presumed eligible for Medicaid before a formal eligibility determination is made; and by requiring States to operate outreach programs in areas of high infant mortality.
 - Entitle all children under age 6, who are receiving Food Stamps, to receive Medicaid coverage for immunizations.
 - Make the Federal match rate for State administration expenses a uniform 50 percent by gradually reducing special administrative match rates that currently range from 75 to 100 percent. The savings that would result would allow the legislative eligibility changes proposed by the President to be implemented within the current program's spending level.

AIDS INITIATIVES

The Administration is moving on a number of fronts to combat the spread of AIDS.

ACTION BY THE ADMINISTRATION:

- o **AIDS Clinical Trials Information Service:** The Administration developed a computerized listing through which AIDS patients and their doctors can get up-to-date information on clinical trials of AIDS drugs and vaccines -- whether federally or privately sponsored.
- o **Experimental AIDS Drugs:** The Administration unveiled a proposal to allow wider availability of experimental therapeutic drugs used to treat people with AIDS.
- o **AIDS Prevention Guide:** The Administration joined the National Parent Teachers Association in announcing the distribution of 500,000 copies of the "AIDS Prevention Guide" for use by parents and teachers nationwide.
- o **\$5 Million Transferred to States -- AIDS Treatment:** The Administration transferred \$5 million from currently appropriated AIDS funds to assist needy individuals in the purchase of treatment drugs for AIDS and related conditions.

HOUSING/HOMELESSNESS

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

ACTION BY THE ADMINISTRATION:

- o **Homelessness:** In his FY 1990 budget, the President has proposed to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing, health care, and human dignity. President Bush's proposal calls for fully funding the McKinney Homeless Assistance Act and for a new \$50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.
- o **Affordable housing:** President Bush is committed to making housing more affordable for low-income families, and to provide homeownership opportunities to the disadvantaged and to young families. President Bush proposes to assist through HUD subsidized Housing Programs, 109,000 new families in need of low-income housing, and has pledged to maintain HUD assistance to those families already being helped. President Bush has also signalled his commitment to helping poor residents in public housing to become homeowners through resident management and ownership programs.

OPPORTUNITY

- o **Enterprise zones:** President Bush has called for enactment of enterprise zone legislation, to give urban and rural areas the opportunity for jobs and hope for the future. President Bush asked Congress to enact labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities.
- o **Job training:** The Administration has sent to the Congress a proposal to improve the Job Training Partnership Act by targeting its resources on the poor and at risk youth and adults who most need job training to get jobs and become economically self sufficient.

CIVIL RIGHTS

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

ACTION BY THE ADMINISTRATION:

- o **Civil rights:** The Administration has taken a number of actions to protect the civil rights of all Americans, including several court actions in key civil rights cases.
 - The President has called upon Congress to reauthorize the Commission on Civil Rights.
 - The Administration endorsed the Hate Crimes Bill, which provides for the collection of data about crimes motivated by race, religion, or ethnicity.
 - On March 13, Attorney General Thornburgh announced the filing of Federal housing discrimination lawsuits seeking monetary damages and civil penalties under the expanded enforcement authority of the Fair Housing Amendments Act of 1988.

- o **Disabled Americans:** The Administration has reached a consensus with key Senators on legislation that would fulfill the President's commitment to seek legislation extending civil rights protections to disabled Americans. The legislation, called the **Americans with Disabilities Act**, would represent the most significant expansion of federal civil rights laws in the past two decades.
 - The legislation would provide unprecedented protections against discrimination in the area of employment, requiring reasonable accommodation be made by employers for disabled potential employees.
 - Most new buildings would be required to be accessible to the disabled.
 - Stores, providers of services, restaurants, and other public accommodations would be required to serve disabled Americans to the same extent they serve able Americans.

- o **Whistleblower protection:** On April 10, the President signed S. 20, the **Whistleblower Protection Act of 1989**. This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.
 - This new law will enhance the authority of the Office of Special Counsel, and whistleblowers will also now be allowed to take their cases to the Merit Systems Protection Board.
 - The statute alters the legal burdens of proof, making it easier for employees to be vindicated when they are wrongfully penalized by their supervisors for whistleblowing activities.

ETHICS

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

ACTION BY THE ADMINISTRATION:

- o **Campaign Finance Reform:** The President's comprehensive campaign finance reform proposal is designed to lessen the power of special economic interests and restore real competition to American Congressional elections. The package seeks to enhance the role of individuals and the political parties in elections. Below are proposal highlights:
 - Eliminating political action committees (PACs) supported by corporations, unions, or trade associations, and prohibiting such entities from paying for the overhead or administrative costs of any independent PAC.
 - Strengthening political parties by increasing the amounts they can spend on behalf of congressional candidates. This source of funds would permit legislators to spend less time fundraising, would ensure that challengers have greater resources with which to challenge incumbents, and would further limit the role of special economic interests in elections.
 - Addressing the problem of the "permanent Congress" by reforms designed to reduce the unwarranted advantages of incumbency. Specifically, the proposals would prohibit the personal use of excess campaign funds, drastically reduce Congressional mailings under the frank, ban the rollover of campaign funds from one election cycle to the next, and legislate fair neutral criteria for the redistricting of Congressional and legislative lines that will follow the 1990 census.
 - Fully disclosing all soft money spent by the political parties and all labor unions, corporations, and trade associations to influence a federal election.
- o **Ethics:** The President issued an Executive Order creating the President's Commission on Federal Ethics Law Reform, which submitted its recommendations to the President on March 9. Responding to the Commission's work, the President, on April 12, sent to Congress a sweeping ethics bill and simultaneously issued an Executive Order announcing ethical principles for the conduct of executive branch employees. The President's proposals include:
 - Expanded financial disclosure for all three branches of government.

- **Deferral of tax liability** when an individual is required by his or her agency to divest assets in order to avoid conflicts of interest.
- **Strengthened rules against abusing the revolving door for private gain at the expense of the public trust.** These rules would also apply for the first time to the legislative branch.
- **A 25 percent pay raise for federal judges** was proposed in the legislation submitted April 12. On July 7, the President submitted separate legislation calling for pay increases for certain specialized professionals and other senior officials in the executive branch.
- **Congressional Honoraria Ban:** On July 7, the President also sent to Congress legislation that calls for the elimination of Congressional honoraria by 1991, making the next Congress honoraria-free. This proposal is linked to the enactment by Congress of a pay increase for its Members, and the President will work with Congress toward this end.
- The extension of the federal statute that prohibits employees from taking actions that enhance their own financial interest to cover legislative and judicial branch employees (but not Members of Congress).
- The extension of the **Independent Counsel statute** to cover the Congress and the creation of an independent, non-partisan Congressional Ethics Office.
- **A ban on outside earned income** for full-time non-career Presidential appointees in the executive branch, including non-career employees in the immediate White House Office.

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September 1, 1989

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

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

KEEPING THE ECONOMY STRONG

- o **Record expansion:** During the current economic expansion -- now in its 80th month as of July -- over 20 million jobs have been created and the unemployment rate has fallen to levels not seen in 15 years. Income levels have risen sharply and growth in industrial output is nearly double that of Western Europe. Consumer price inflation has remained under five percent for the past seven years.
- o **Budget agreement:** The President has put forth a budget which restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes in fiscal year 1990. The President and Congress announced on April 14 a budget plan to reduce the estimated fiscal year 1990 deficit by about \$64 billion below fiscal year 1989.
- o **Savings and Loans:** On August 9, the President signed the **Financial Institution Reform, Recovery and Enforcement Act of 1989** to begin solving the savings and loan crisis. The President's plan calls for tough standards to help ensure such a crisis never happens again.
- o **Third World debt:** The Administration has taken the lead in finding a way to reduce the debt burden and encourage economic growth in developing countries. At the Administration's urging, the IMF and World Bank have set aside funds to support debt reduction programs for developing countries.

- o **Capital gains tax cut:** The President has sent to the Congress a proposal that would re-establish a capital gains differential to lower the cost of capital, create incentives for investment, make American business more competitive and create new job opportunities.
- o **Minimum wage:** The President, by vetoing the excessive across-the-board increase in the minimum wage proposed by Congress, preserved job opportunities for the disadvantaged and blunted the adverse economic impact such a move would have had.
- o **International Trade:** The Bush Administration successfully broke a stalemate in the Uruguay Round of multilateral trade negotiations and advanced its proposal to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with important trading partners to discuss structural impediments to expanding trade and encourage them to open their markets to our exports.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

- o **"Europe Whole and Free":** In two State visits to Europe, a series of major speeches and frequent meetings and contacts with European leaders, the President has set forth a vision of a new Europe -- secure, prosperous, whole and free -- successfully culminating four decades of Western policies and seizing an historic opportunity to move toward ending the postwar division of Europe.
- o **Poland and Hungary:** The President's strong support for unprecedented democratic change in Hungary and Poland was highlighted by his visits to those nations, where he encouraged internal reconciliation and cooperation. The President offered political and moral support as well as economic and trade incentives for further steps along the path of reform.
- o **Economic summit:** Under President Bush's leadership, the Paris Economic Summit agreed to support Polish and Hungarian economic reforms and to concert efforts for maximum effectiveness of Western assistance. The Economic Summit also made further progress on key U.S. economic and political objectives such as a strengthened debt strategy, economic policy coordination, completion of the Uruguay Round by December 1990 and, for the first time, international cooperation on protection of the environment.

- o **"Beyond Containment":** The President has welcomed the extraordinary political and economic changes underway in the Soviet Union. He has established a new American policy, "Beyond Containment," that seeks to integrate the Soviet Union into the community of nations. The President has accelerated the pace of arms control negotiations with the Soviet Union, and broadened the dialogue beyond human rights, bilateral and regional issues to include problems of global concern such as the environment, terrorism, and narcotics.
- o **NATO Summit:** The President seized the arms control initiative and won the strong support of our Allies with a bold proposal to reduce conventional forces in Europe. Calling for completion of negotiations within six months to a year, the President proposed deep cuts in manpower and equipment.
- o **China:** Visiting China soon after taking office, the President underscored the long-term strategic importance of the Sino-U.S. relationship and his support for the process of reform. In response to the subsequent suppression of the democratic movement in China, the President took actions making clear that we do not condone repression even while he worked to preserve the basic elements of this important relationship.
- o **Central American Accord:** The President and Congressional leaders agreed on March 24 on a bipartisan strategy for peace and democracy in Central America. With the agreement, for the first time in years, the U.S. has a broadly supported strategy aimed at bringing about free and fair elections in Nicaragua.
- o **Strengthening our Strategic Deterrent:** After a thorough review of U.S. defense strategy, the President submitted to the Congress a defense budget that will modernize our ability to deter war including, after more than a decade of debate, specific proposals for two mobile ICBMs. The strategic modernizations program also includes the revolutionary B-2 bomber and funding to support an informed development and deployment decision on the Strategic Defense Initiative within the next four years.

INVESTING IN OUR FUTURE

- o **Education:** The President proposed and sent to the Congress a comprehensive education package, **The Educational Excellence Act of 1989**, which includes seven initiatives -- on merit and magnet schools, alternative certification of teachers, excellence awards for teachers, emergency grants to help urban schools to fight drugs, increased funding for endowments at Historically Black Colleges, and a National Science Scholars program.
- o **Natural Gas Deregulation:** On July 26, the President signed into law the **Wellhead Decontrol Act of 1989**, which ends all remaining price controls on natural gas. This will phase out all federal price controls on natural gas by January 1, 1993.
- o **Clean Air Act revisions:** On July 21, President Bush transmitted to the Congress the first revisions to the **Clean Air Act** since 1977. His legislation is designed to drastically reduce three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions.
- o **Hazardous waste:** The President announced that he will seek new legislation to ban all exports of hazardous waste unless an agreement already exists with the receiving country to provide for its safe handling.
- o **Ozone depletion:** In order to prevent further damage to the earth's protective ozone layer, the President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available.
- o **Medical Waste:** The EPA has begun a tracking system for medical wastes and the Justice Department has started a task force to prosecute those who deliberately dump medical wastes into the Nation's waters -- the first step in a comprehensive program to help keep our beaches clean. The President is committed to end ocean dumping of sewage sludge by 1991.
- o **Wetlands:** The President is committed to "no net loss of wetlands" and is directing his executive branch agencies, through an interagency task force, to make recommendations to achieve that goal. He has also proposed \$206 million in his budget to expand parks and wildlife refuges.
- o **Combating Violent Crime:** President Bush transmitted to Congress **The Comprehensive Violent Crime Control Act of 1989** proposing measures to augment enforcement and prosecution,

strengthen current law, restrict certain semi-automatic weapons, and expand prison capacity.

- o **Fighting Drug Abuse:** The Administration is requesting over \$6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly \$1 billion for drug education, treatment and enforcement. In September, the President will announce the Administration's new drug strategy and budget.
- o **Drug-free Public Housing:** The Bush Administration is working to make public housing drug free, and to protect the rights of decent, law-abiding public housing residents.
- o **D.C. Anti-Drug Efforts:** The Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia by expanding the Metropolitan Area Task Force, by working for more prisons, and by providing support in enforcement and local treatment efforts.
- o **Space:** The President announced a three-step commitment to establish America's preeminence in space -- Space Station Freedom, a permanent presence on the Moon, and a manned mission to Mars -- for this and future generations.
- o **Transportation:** The Department of Transportation has begun a public outreach effort to develop a national transportation policy to move America into the 21st Century.

WORKING FOR A KINDER, GENTLER AMERICA

- o **Child Care:** The President has transmitted to the Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which provides a new refundable child care tax credit of up to \$1000 per child under age four, for low income working families. This legislation will also make the existing Child and Dependent Care Tax Credit refundable, and does not discriminate against religious or family-based child care or a parent who chooses not to work outside the home.
- o **Head Start:** The President has also transmitted legislation to Congress that would allow a \$250 million increase in Head Start FY 90 appropriations. This will pay for enrollment of up to 95,000 more four-year-olds in the program.
- o **National Service:** The President is spearheading a movement to call all Americans to national service. He has announced the formation of a foundation known as the **Points of Light Initiative** to identify, enlarge and duplicate those community service initiatives that are working and to discover and encourage new leaders.

- **Welfare Reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988, as the next step in welfare reform. The Administration is proposing to spend \$3.6 billion over the next five years to implement the JOBS program. The Act will help reduce the number of individuals who need welfare.
- **Medicaid:** To address the all-too-high infant mortality rate, the Administration forwarded to Congress legislation to improve federal Medicaid assistance to pregnant women, infants, and children.
- **Homelessness:** President Bush has called for full funding of the McKinney Homeless Assistance Act and for a new \$50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.
- **Enterprise Zones:** President Bush asked Congress to enact labor and capital-based incentives -- through enterprise zones -- to create jobs and entrepreneurial activity in our most distressed communities.
- **Campaign Finance Reform:** On June 29, the President announced comprehensive campaign finance proposals designed to lessen the power of special economic interests and restore real competition to American Congressional elections.
- **Civil Rights:** The President has called upon Congress to reauthorize the Commission on Civil Rights and is committed to seek legislation extending civil rights protections to disabled Americans. The Administration has endorsed the Hate Crimes Bill which provides for the collection of data about crimes motivated by race, religion, or ethnicity. The Civil Rights Division of the Department of Justice has vigorously pursued the enforcement of the Fair Housing Amendments Act of 1988 which became effective in March.
- **Ethics:** President Bush sent his ethics reform legislation, **The Government-Wide Ethics Act**, to the Congress on April 12, and he issued an Executive Order announcing ethical principles for the conduct of executive branch employees.
- **Whistleblower Protection:** On April 10, the President signed S. 20, the "**Whistleblower Protection Act of 1989.**" This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.

September 1, 1989

BUILDING A BETTER AMERICA
ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

KEEPING THE ECONOMY STRONG

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

- o **Record peacetime expansion:** The current expansion reached 80 months in July. This is the second longest peacetime economic expansion in U.S. history, tying the World War II expansion of 80 months (from June 1938 - February 1945).
- o **Job creation:** Over 20 million new jobs have been created during this expansion, and this year, the unemployment rate has reached levels not seen in 15 years. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined.
- o **Record income:** Real per capita disposable personal income -- personal income after taxes and inflation -- has risen 19 percent during this expansion. Real median family income set a new record in 1987, the last year for which data are available.
- o **Industrial output:** During this expansion, American industrial output has grown almost 40 percent, nearly double Western Europe's growth rate in industrial output.
- o **Higher national saving and investment:** During the first nine months of fiscal year 1989, the Federal Government budget deficit was less than during the same period in the previous fiscal year. Partly due to the discipline of Gramm-Rudman-Hollings, the Federal deficit has declined from 6.3 percent of GNP in fiscal year 1983 to an estimated 2.9 percent this fiscal year. The personal saving rate rose to 5.5 percent during the first half of this year. Real, non-residential fixed investment as a percent of real GNP rose to 12.4 percent in the second quarter of 1989.
- o **Inflation under control:** Consumer price inflation has remained under five percent in each of the seven years from 1982 to 1988, and the recent slowing in economic growth to a sustainable rate will lessen price pressures in the near future.

ACTION BY THE ADMINISTRATION:

- o **Presenting a budget:** The President put forth a budget that provides for investment in future growth and competitiveness and addresses our fundamental obligations for national security and support of the needy. It also provides sufficient funds to advance high-priority initiatives such as protection of the environment, the fight against drugs, and the improvement of our educational system. The President's budget restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes in Fiscal Year 1990.
- o **Reaching a budget agreement with Congress:** The President and Congress announced on April 14 a budget plan to reduce the estimated Fiscal Year 1990 deficit by about \$64 billion below Fiscal Year 1989. The plan called for reducing the deficit to \$99.4 billion, meeting the targets set by the Gramm-Rudman-Hollings law. This is the first budget agreement in recent years reached before the start of the budget year and not framed in the context of crisis.
- o **Savings and Loan reform:** The President signed the Financial Institution Reform, Recovery and Enforcement Act of 1989 on August 9. This legislation comes to grips with the problems facing our savings and loan industry, and will safeguard and stabilize America's financial system. The Act assures that the long developing problems in our savings industry will never happen again. It significantly reforms the regulation of the thrift industry and separates the chartering of the institutions from the insurance of deposits. It establishes strict new guidelines to assure the solvency of thrift institutions in the future, including new capital requirements, and sets stiff penalties for wrongdoing by the officers of insured institutions. Further, the act establishes new agencies to remedy existing problems in the thrift industry and authorizes funds to finance the restructuring of insolvent institutions.
- o **Addressing the international debt problem:** The Administration has taken the lead in encouraging commercial banks to reduce the debt and debt service burdens of developing countries. At the Administration's urging, the IMF and World Bank have agreed to support debt and debt service reduction in conjunction with their debtor programs to promote investment, growth, and the return of flight capital to these countries. The recent agreement between Mexico and commercial banks, with its emphasis on debt and debt service reduction, attests to the viability of the Administration's plan for resolving the debt problems of developing countries.

- **Capital gains tax rate cut:** A lower tax rate for long-term capital gains is a key element of President Bush's economic program. It will reduce the cost of capital in the U.S., create incentives for investment, and increase job opportunities. The President's proposal includes:
 - A 45 percent capital gains exclusion for qualified capital gains, or a 15 percent maximum capital gains tax rate at the taxpayer's option.
 - A phased-in increase in the qualifying holding period from one year to three years.
 - An exemption from the capital gains tax for families earning under \$20,000.
- **Minimum wage proposal:** The President believes in keeping job opportunities available for youth and for those seeking to enter the economic mainstream. The excessive across-the-board increase in the minimum wage which was passed by Congress would have had an adverse economic impact and cut job opportunities drastically. Accordingly, the President vetoed the bill. The veto was later sustained.
- **International Trade:** The Administration is forcefully promoting the opening of world markets. It successfully broke a stalemate in the Uruguay Round's mid-term review and put in place a framework, agreed to by the 96 member nations, to correct and prevent trade distortions in agriculture. It is engaged in bilateral trade talks with important trading partners to encourage them to open their markets to our exports. The Administration has created a high level interagency group to assure that U.S. trade and investment interests are addressed as the European Community works to create a single market in 1992.
- **Steel imports:** The President initiated a two-and-a-half year Steel Trade Liberalization Program designed to phase out, in a responsible and orderly manner, the Voluntary Restraint Arrangements (VRAs) that currently limit steel imports into the U.S. and to negotiate an international consensus to address trade-distorting practices.
- **Agricultural initiatives:** The Administration has announced additional advance deficiency payments of 10 percent to producers of wheat, feed grains, rice, and upland cotton. In addition, a top-level Working Group on Rural Development was established to focus on an action-oriented agenda.
- **National Energy Plan:** The President directed the Secretary of Energy to develop a comprehensive national energy strategy for the nation. The strategy will help the nation meet our energy security and environmental responsibilities and, at the same time, allow a sensible mix of energy sources to protect America's economic competitiveness.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

The President assumed office at a time of dramatic and vibrantly promising change in the world. From the Third World to the Communist World, surging internal forces of democratization and economic reform have shaken Marxist and other authoritarian regimes to their foundations. As they respond to these internal crises, unprecedented opportunities have arisen to resolve longstanding international disputes, to reduce the level of arms and military expenditures, and to promote the further spread of market economies and political pluralism. While this worldwide process of reform and change has and will inevitably encounter setbacks, a new course in history has been set. The President is determined to move on a broad front to seize this unique opportunity to strengthen world peace and the course of freedom.

ACTION BY THE ADMINISTRATION:

- o **"Europe Whole and Free":** In two State visits to Europe, a series of major speeches, and frequent meetings and contacts with European leaders, the President has set forth a vision of a new Europe -- secure, prosperous, whole, and free -- successfully culminating four decades of Western policies and seizing an historic opportunity to move toward ending the postwar division of Europe.
- o **Western Europe:** The President for the first time has declared the United States' unequivocal support for European unity and defense cooperation. He has proposed new mechanisms for consultation with the EC Commission and member states as the European Community heads toward a single market in 1992. Seeing the resurgence of Western Europe as a triumph of Western values and principles, the President welcomed its success, confident that a mature partnership will serve mutual interests.
- o **NATO Summit:** At the successful NATO Summit, the President's vision of Europe as well as agreement on a new conventional arms reduction initiative helped restore Alliance unity and confidence and define the Alliance's future agenda.
- o **Eastern Europe:** As Poland and Hungary take unprecedented steps toward pluralism, democracy, and market economic policies, the United States has signaled its strong support. These steps provide an opportunity not only for a democratic transition in these countries, but also for a broader process of European reconciliation. Offering political and moral support as well as economic assistance during his visits to Poland and Hungary, the President proposed major new initiatives for Poland and Hungary designed to further structural change that promises improved economic performance.

- o **Poland:** Following up on the program he announced earlier this year in Hamtramck, Michigan, the President called for action to declare Poland a beneficiary country under the U.S. Generalized System of Preferences. The Overseas Private Investment Corporation will be authorized to operate in Poland, and the US is proposing a private business agreement that will promote contacts between the private sectors of both countries. The President will ask Congress to provide a \$100 million fund to help capitalize and invigorate the Polish private sector and encourage the World Bank to move ahead with new loans to help Polish agriculture and industry. He has encouraged other members of the Paris Club to agree to an expeditious rescheduling of Polish debt. Finally, he will ask Congress for \$15 million in a cooperative venture with Poland to help fight air and water pollution in Krakow.
- o **Hungary:** The President will ask Congress to authorize a \$25 million fund as a source of new capital to invigorate the Hungarian private sector. As soon as new emigration legislation has passed the Hungarian Parliament, the President will inform Congress that Hungary is in full compliance with the restrictions of the Jackson-Vanik Amendments of the 1974 Trade Act. This will make Hungary eligible for Most-Favored-Nation tariff treatment for the maximum period allowable under the law. The President also declared Hungary a beneficiary country under our Generalized System of Preferences which will allow duty free entry of Hungarian products into the U.S. market. He also called for legislation to allow OPIC to operate in Hungary, and for greater scientific, technical, educational, and cultural exchanges between the US and Hungary. The President will seek to establish an International Environmental Center for Central and Eastern Europe in Budapest. Finally, he announced that the Peace Corps would operate in Hungary to enhance English language training -- the first time in a European country.
- o **The Economic Summit in Paris:** The mission of the President's historic visit to Poland and Hungary and his successful effort at the Paris Economic Summit was to promote concerted actions among the industrial democracies in the economic and political arenas. The industrial democracies demonstrated their unity, as they dealt with a variety of issues on the international economic agenda, as well as the problem of drugs and the environment.

- o **"Beyond Containment":** Seeing an historic process of change in the Soviet Union, the President has declared his intention to move beyond the successful policy of containment of Soviet power to a new policy whose goal is integrating the Soviet Union into the world community as a constructive partner. Positive changes so far in Soviet policies -- in human rights, economic reforms, and settlement of some international conflicts -- need to be encouraged and broadened. The United States will be ready to respond to such further developments. Already:
 - The US-Soviet dialogue on conflicts in regions of the Third World has resumed intensively, and discussions have begun on a new range of global problems that require global cooperation, such as terrorism, the environment, and narcotics.
 - In arms control, the President has accelerated the pace of negotiations, with new American initiatives on reducing conventional forces in Europe (endorsed by the NATO Summit), and on strategic arms reduction. U.S. initiatives also aim at early progress on verification issues to further early agreement on strategic arms reductions.
- o **China:** On his visit to China in February, the President emphasized the long-term strategic importance of the U.S.-China relationship and his support for the process of reform. In response to the subsequent tragic suppression of the democratic movement in China, the President ordered the suspension of all government-to-government sales and commercial exports of weapons, suspension of visits between US and Chinese military leaders, sympathetic review of requests by Chinese students in the United States to extend their stay, and review of other aspects of US-PRC bilateral relations. The President's policy signals that repression cannot be condoned. But it also seeks to preserve the basic elements of a strategically important relationship that has, itself, played a major part in China's recent policy of reform and openness -- and can do so again in the future.
- o **Latin America:** The President has established a close, working relationship with Latin American neighbors to foster a new partnership on hemisphere problems like democracy, debt, and drugs. Relations with Mexico are closer than at any time in recent memory. The U.S. has also worked with the Organization of American States to develop a hemispheric consensus urging Manuel Noriega to leave power.
- o **Bipartisan Accord on Central America:** On March 24, the President and Congress agreed on a bipartisan plan for peace and democracy in Central America:
 - Regional peace: The President and Congress agreed that the region's democracies deserve our support, that

Nicaragua's subversion of its neighbors must end, and that Soviet support for violence and subversion in the hemisphere must also end.

- Humanitarian aid: Congress agreed to support the Administration's request for continued humanitarian assistance for the Nicaraguan Resistance at current levels through the elections in Nicaragua scheduled for February, 1990.
 - Democracy: The Communist Sandinistas are being put to the test to permit a real democratic electoral contest for political power, fulfilling the promises of democratic pluralism that they have made (and broken) so often before.
- o **Middle East:** The Administration is devoted to promoting progress toward peace in the Middle East by supporting the Government of Israel's May 14 initiative calling for Palestinian elections in the occupied territories. These elections can be a step toward a comprehensive peace settlement that assures Israel's security and the legitimate political rights of the Palestinians. The Administration also has supported the efforts of the Arab League and others to end the internecine warfare and slaughter of innocents, and to bring peace to Lebanon.
 - o **A Strong Defense:** The President proposed to Congress a two-missile plan to maintain a strong, modernized strategic deterrent. The plan to deploy the rail-mobile Peacekeeper and the road-mobile Small ICBM will also give the U.S. momentum in strategic arms control negotiations.
 - The President proposed to Congress an integrated package on strategic modernization that capitalizes on the revolutionary potential of the B-2, and modernizes the third leg of the Triad -- essential also to our arms control positions.
 - The President requested a funding level of \$4.6 billion for the Strategic Defense Initiative to support an informed development and deployment decision within the next four years.
 - The President also directed the Department of Defense to implement its recent blueprint to strengthen and streamline the weapons procurement process.
 - o **Air Transportation Security:** The Administration has taken several measures to enhance security and efficiency in the air transportation system. These efforts include:
 - A proposed 17% increase in the budget for the Federal Aviation Administration.
 - New requirements for installation of explosive detection devices in high-risk airports.
 - Intense international negotiations to enhance security abroad.

INVESTING IN OUR FUTURE

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

EDUCATION

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

ACTION BY THE ADMINISTRATION:

- o On April 5, the President proposed and sent to the Congress a comprehensive education package, **The Educational Excellence Act of 1989**, which includes seven initiatives:
 - **The Presidential Merit Schools program** -- to reward schools that are making substantial progress in raising students' educational achievement, creating a safe and drug-free school environment, and reducing the drop-out rate.
 - **A new Magnet Schools of Excellence program** -- to support the establishment, expansion or enhancement of magnet schools, increasing parental choice and improving quality education.
 - **The Alternative Certification of Teachers and Principals program** -- to assist States interested in broadening the pool of talent from which to recruit teachers and principals.
 - **President's Awards for Excellence in Education** -- to be awarded to public and private school teachers in every state who meet the highest standards of excellence.
 - **Drug-free Schools Urban Emergency Grants** -- to provide special assistance to selected urban school districts that are disproportionately affected by drug trafficking and abuse.
 - **A National Science Scholars program** -- to provide college scholarships to high school seniors who have excelled in the sciences and mathematics.
 - **Additional Funding Authorization for Endowment Matching Grants at Historically Black Colleges and Universities** -- to strengthen HBCUs by building endowments, an especially effective way to create financial strength and long-term security.

- o On April 24, the President issued a new **Executive Order on Historically Black Colleges and Universities (HBCUs)**. Highlights of the order include:
 - Establishing the President's Board of Advisors on Historically Black Colleges and Universities in the Department of Education.
 - Directing Federal agencies to increase opportunities for HBCU involvement in Federal programs and directing the Secretary of Education to develop an Annual Federal Plan for Assistance.
 - Calling for the White House Office of National Service, along with other Federal offices to work to encourage private sector support of HBCUs.

THE ENVIRONMENT

President Bush, a long-time environmentalist, has taken strong action to protect the environment. He believes that environmental protection, conservation, and wise management of our national resources must have a high priority on our national agenda.

ACTION BY THE ADMINISTRATION:

- o **Clean Air legislation:** President Bush transmitted to the Congress a sweeping program to ensure clean air for all Americans. The President's plan, transmitted to Congress on July 21, 1989, calls for the first revisions to the Clean Air Act since 1977 and is designed to curb three major threats to the nation's environment: acid rain, urban air pollution, and toxic air emissions.
 - **Acid Rain:** Sulfur dioxide emissions that cause acid rain will be cut, by ten million tons from 1980 levels, and nitrogen oxide levels cut by two million tons -- by the end of this century. The Administration's bill is the only one which imposes a cap on emissions after the year 2000 to ensure that a ten million ton reduction is maintained. Companies will be allowed to trade credits among themselves for reductions they make, so that they can decide how to bring aggregate emissions down as cost-effectively as possible.
 - **Urban Air Pollution:** By employing a mix of federal measures and state initiatives, this legislation will sharply cut air pollution in our cities by the year 2000. The federal measures alone will cut hydrocarbon emissions -- which contribute to urban ozone -- by almost half.

Currently, 100 cities don't meet Federal air quality standards. This legislation will bring all but 4 cities into attainment with the ozone standard by 2000 -- and within 20 years, even Los Angeles, Houston and New York.

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

Automobile and fuel companies will be allowed to trade reduction credits among themselves.

- **Toxic Air Emissions:** All categories of airborne toxic chemicals should be cut by 75 percent by the year 2000. In its first phase, the President's plan should substantially reduce the number of deaths from cancer that are suspected to have been caused by toxic industrial air emissions.

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

- o **Natural Gas Decontrol:** On July 26, the President signed into law the **Wellhead Decontrol Act of 1989**, which ends all remaining price controls on natural gas. This will phase out all federal price controls on natural gas by January 1, 1993.
- o **Alaskan oil spill:** A Cabinet-level team was sent to assess the Alaskan oil spill, and a joint federal-state resource recovery team was convened. The National Transportation Safety Board is investigating the accident. Exxon has accepted responsibility for paying for the clean up, and for employing local civilian personnel necessary to control further damage.

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

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

- **Oil Spill Legislation:** On May 11, the Administration transmitted to Congress comprehensive oil pollution liability and compensation legislation that broadens and strengthens our existing patchwork of laws. The bill provides swift and assured compensation for clean up costs and damages through a liability system based on strict financial responsibility requirements for shipowners backed up by an oil-industry financed fund.
- **Outer Continental Shelf Task Force:** The President set up a special task force to address environmental concerns about oil and gas drilling off the coasts of California and Florida. Pending the recommendations of the task force, the President has postponed drilling activity in these areas.
- **Cleaning up hazardous wastes:** The President announced he will be seeking new legislation to amend the Resource Conservation and Recovery Act in order to give the United States Government authority to ban all exports of hazardous waste unless an agreement exists with the receiving country, providing for the safe handling and management of those wastes.
- Also, Secretary of Energy Watkins has put forth a plan of action to identify and prioritize clean up of defense and civilian radioactive waste; meet the Nation's security needs; and comply with environmental safety and health laws.
- **Superfund:** The President is reinvigorating the Superfund hazardous waste clean-up program by directing EPA to take a number of steps, including more aggressive action to force private parties to clean up sites, stepped-up cost recovery, and better use of existing emergency cleanup authorities. EPA is also now finishing a priority review of Superfund to improve its operation.
- **Ozone depletion:** The President has called for a total worldwide phaseout of CFCs by the year 2000, provided safe substitutes are available, in order to prevent further damage to the Earth's protective ozone layer.
- **Clean water and coastlines:** The EPA has started a tracking system for medical wastes and the Justice Department has set up a task force to prosecute those who deliberately dump medical waste into our Nation's waters -- the first step in a comprehensive program to help keep our beaches clean. The President is committed to end ocean dumping of sewage sludge by 1991.
- **Wetlands, National Parks, and Reforestation:** The President is also committed to "no net loss of wetlands" and is directing his executive branch agencies, through an

interagency task force, to make recommendations to achieve that goal.

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

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

- **Asbestos Ban:** On July 7, EPA announced an almost total phase-out of nearly all uses of asbestos by 1997. The ban will prohibit importation, manufacture, and processing of asbestos, a carcinogen linked to lung cancer and mesothelioma (lung and chest cancer).
- **Improved Forecasting:** The Commerce Department announced that beginning in Fiscal Year 1990, the National Weather Service will modernize and restructure its operations to provide improved forecasting and weather warning systems. The new system will include advanced weather radar, observation automation, and a new communications system.
- **Ban on African Elephant Ivory:** On June 9, the Administration announced an importation ban of African elephant ivory into the United States, making importation from any country illegal. The ban covers both commercial and non-commercial shipments.

COMBATTING VIOLENT CRIME

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

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

ACTION BY THE ADMINISTRATION:

- o On May 15, 1989, President Bush announced to Congress **The Comprehensive Violent Crime Control Act of 1989** to combat violent crime. The President's initiative includes:

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

In addition, the Attorney General has been directed to advise America's prosecutors to end plea bargaining for violent Federal firearms offenses.

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

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

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

President Bush requested funding for the hiring of 825 new Federal agents and staff -- 375 at the Bureau of Alcohol, Tobacco and Firearms; 300 at the FBI; and 150 Deputy U.S. Marshals. This offensive, including state and local enforcement authorities, will target violent criminals and repeat offenders.

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

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

- **Anti-Drug Treaty:** The Vienna Convention on Illicit Drugs and Psychotropic Substances was strongly endorsed

by the President and forwarded to the Congress for ratification. This is the most significant and far-reaching treaty on international cooperation on drug trafficking, chemical precursor control, and money laundering ever to be signed.

FIGHTING DRUG ABUSE

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

ACTION BY THE ADMINISTRATION:

- o **Budget:** The Administration is requesting over \$6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly \$1 billion for drug education, treatment, and enforcement.
- o **Education:** The Administration is requesting nearly \$1.1 billion for education and prevention efforts. This is a 16 percent increase over 1989 and includes funding for ongoing programs and new initiatives.
- o **Treatment:** Funding for drug abuse treatment will be increased 18 percent. The Administration is proposing over \$700 million to expand the nation's capacity to provide treatment, particularly to indigent, disadvantaged youth and expectant mothers.
- o **Interdiction and enforcement:** The Administration is proposing over \$4.6 billion for law enforcement programs in 1990, a 20 percent increase over 1989. This constitutes about 70 percent of President Bush's proposed drug budget. Substantial increases are requested in funding to strengthen inspection, interdiction, intelligence efforts and crop eradication programs, such as Operation Snow Cap, a federally led effort which broke up a \$1.2 billion drug money-laundering operation. The President strongly supports the death penalty for drug kingpins who commit drug-related murders, and will appoint judges who will strongly enforce the drug penalty laws.
- o **Public housing:** The Bush Administration is working to make public housing drug free, to protect the rights of the vast majority of decent, law-abiding public housing residents.

The Department of Housing and Urban Development has acted:

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

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

WORKING FOR A KINDER, GENTLER AMERICA

CHILD CARE

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

ACTION BY THE ADMINISTRATION:

- o **Child care:** The President transmitted to Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which:
 - Provides a new refundable child care tax credit of up to \$1000 per child under age four, for low income working families.
 - Makes the existing Child and Dependent Care Tax Credit refundable.
 - Does not discriminate against religious- or family-based child care, or a parent who chooses not to work outside the home.
- o The President has directed Secretary of Labor Dole to determine whether the barriers to securing liability insurance impair employer-provided child care.
- o **Head Start:** The President also transmitted legislation to Congress that would allow a \$250 million increase in Head Start appropriation. This will pay for enrollment of up to 95,000 more four-year-olds in the program.

NATIONAL SERVICE

The President's vision to help overcome the disintegration of communities and build a better America -- not through a federal government program, but through a nationwide service movement -- has three facets: First, to issue a call to all individuals and institutions to claim society's problems as their own; second, to identify, enlarge, and duplicate what is working; and third, to discover and encourage new leaders.

ACTION BY THE ADMINISTRATION:

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

- o **Identifying, Enlarging, and Recreating What is Working:** The President announced the formation of a foundation called the **Points of Light Initiative**, of which he will serve as Honorary Chairman. Formed to identify and build upon what is working, the Foundation will act as a magnet for the best ideas and brightest programs in community service and then serve as a catalyst to project these ideas into every corner of the nation. The Administration will ask Congress for \$25 million annually to support this initiative, which will, in turn, seek matching funds from the private sector. The President has also encouraged all governors nationwide to join the movement by forming State and local Points of Light working groups composed of outstanding leaders.
 - Through a Foundation initiative called the **ServNet Project**, professional firms, corporations, unions, schools, religious, civic and not-for-profit groups will be asked to donate the services of some of their most talented and promising people for a period of time. Peer-to-peer working groups will be formed to bring examples of successful initiatives and provide training, technical assistance and other support to enable other institutions to devise similar initiatives.
 - Another Foundation initiative, the **ServLink Project**, will help improve existing methods of matching would-be volunteers with purposeful service opportunities. ServLink will stimulate the development, through

private sector resources, of "technology links" like telephones, computers and other mechanisms between those who wish to serve and those needing service in the inquirer's own community.

- The Foundation will also discover and encourage new leaders by recognizing them through two new Presidential Awards:

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

WELFARE REFORM

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

ACTION BY THE ADMINISTRATION:

- o **Welfare reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988. The proposed rules are designed to:
 - Target job training assistance to those who are most likely to benefit and who are most at risk for long-term welfare dependency.
 - Provide maximum level of flexibility to AFDC parents in obtaining the type of child care that best suits their needs, consistent with the Administration's legislative proposals on child care.
 - The Administration is proposing to spend \$3.6 billion over the next five years implementing the JOBS Program. The changes will pay benefits in the future by reducing the number of individuals on welfare. It is estimated that 138,000 families will be able to leave welfare rolls over five years as a result of this program.

EXPANSION OF MEDICAID

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

ACTION BY THE ADMINISTRATION:

- o **Expanding Medicaid:** On April 18, the Administration forwarded to Congress proposed legislation to make federal programs better serve pregnant women, infants and children. The legislation would expand the population Medicaid serves, making Medicaid available to 1.9 million more women when they become pregnant. The legislation would:
 - Increase by 374,000 the number of pregnant women and children eligible for Medicaid.
 - Foster greater participation in Medicaid by eligible pregnant women by providing services to pregnant women who are presumed eligible for Medicaid before a formal eligibility determination is made; and by requiring States to operate outreach programs in areas of high infant mortality.
 - Entitle all children under age 6, who are receiving Food Stamps, to receive Medicaid coverage for immunizations.
 - Make the Federal match rate for State administration expenses a uniform 50 percent by gradually reducing special administrative match rates that currently range from 75 to 100 percent. The savings that would result would allow the legislative eligibility changes proposed by the President to be implemented within the current program's spending level.

AIDS INITIATIVES

The Administration is moving on a number of fronts to combat the spread of AIDS.

ACTION BY THE ADMINISTRATION:

- o **AIDS Clinical Trials Information Service:** The Administration developed a computerized listing through which AIDS patients and their doctors can get up-to-date information on clinical trials of AIDS drugs and vaccines -- whether federally or privately sponsored.
- o **Experimental AIDS Drugs:** The Administration unveiled a proposal to allow wider availability of experimental therapeutic drugs used to treat people with AIDS.
- o **AIDS Prevention Guide:** The Administration joined the National Parent Teachers Association in announcing the distribution of 500,000 copies of the "AIDS Prevention Guide" for use by parents and teachers nationwide.
- o **\$5 Million Transferred to States -- AIDS Treatment:** The Administration transferred \$5 million from currently appropriated AIDS funds to assist needy individuals in the purchase of treatment drugs for AIDS and related conditions.

HOUSING/HOMELESSNESS

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

ACTION BY THE ADMINISTRATION:

- **Homelessness:** In his FY 1990 budget, the President has proposed to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing, health care, and human dignity. President Bush's proposal calls for fully funding the McKinney Homeless Assistance Act and for a new \$50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.
- **Affordable housing:** President Bush is committed to making housing more affordable for low-income families, and to provide homeownership opportunities to the disadvantaged and to young families. President Bush proposes to assist through HUD subsidized Housing Programs, 109,000 new families in need of low-income housing, and has pledged to maintain HUD assistance to those families already being helped. President Bush has also signalled his commitment to helping poor residents in public housing to become homeowners through resident management and ownership programs.

OPPORTUNITY

- **Enterprise zones:** President Bush has called for enactment of enterprise zone legislation, to give urban and rural areas the opportunity for jobs and hope for the future. President Bush asked Congress to enact labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities.
- **Job training:** The Administration has sent to the Congress a proposal to improve the Job Training Partnership Act by targeting its resources on the poor and at risk youth and adults who most need job training to get jobs and become economically self sufficient.

CIVIL RIGHTS

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

ACTION BY THE ADMINISTRATION:

- o **Civil rights:** The Administration has taken a number of actions to protect the civil rights of all Americans, including several court actions in key civil rights cases.
 - The President has called upon Congress to reauthorize the Commission on Civil Rights.
 - The Administration endorsed the Hate Crimes Bill, which provides for the collection of data about crimes motivated by race, religion, or ethnicity.
 - On March 13, Attorney General Thornburgh announced the filing of Federal housing discrimination lawsuits seeking monetary damages and civil penalties under the expanded enforcement authority of the Fair Housing Amendments Act of 1988.

- o **Disabled Americans:** The Administration has reached a consensus with key Senators on legislation that would fulfill the President's commitment to seek legislation extending civil rights protections to disabled Americans. The legislation, called the **Americans with Disabilities Act**, would represent the most significant expansion of federal civil rights laws in the past two decades.
 - The legislation would provide unprecedented protections against discrimination in the area of employment, requiring reasonable accommodation be made by employers for disabled potential employees.
 - Most new buildings would be required to be accessible to the disabled.
 - Stores, providers of services, restaurants, and other public accommodations would be required to serve disabled Americans to the same extent they serve able Americans.

- o **Whistleblower protection:** On April 10, the President signed S. 20, the **Whistleblower Protection Act of 1989**. This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.
 - This new law will enhance the authority of the Office of Special Counsel, and whistleblowers will also now be allowed to take their cases to the Merit Systems Protection Board.
 - The statute alters the legal burdens of proof, making it easier for employees to be vindicated when they are wrongfully penalized by their supervisors for whistleblowing activities.

ETHICS

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

ACTION BY THE ADMINISTRATION:

- o **Campaign Finance Reform:** The President's comprehensive campaign finance reform proposal is designed to lessen the power of special economic interests and restore real competition to American Congressional elections. The package seeks to enhance the role of individuals and the political parties in elections. Below are proposal highlights:
 - **Eliminating political action committees (PACs)** supported by corporations, unions, or trade associations, and prohibiting such entities from paying for the overhead or administrative costs of any independent PAC.
 - **Strengthening political parties by increasing the amounts they can spend on behalf of congressional candidates.** This source of funds would permit legislators to spend less time fundraising, would ensure that challengers have greater resources with which to challenge incumbents, and would further limit the role of special economic interests in elections.
 - **Addressing the problem of the "permanent Congress" by reforms designed to reduce the unwarranted advantages of incumbency.** Specifically, the proposals would prohibit the personal use of excess campaign funds, drastically reduce Congressional mailings under the frank, ban the rollover of campaign funds from one election cycle to the next, and legislate fair neutral criteria for the redistricting of Congressional and legislative lines that will follow the 1990 census.
 - **Fully disclosing all soft money spent by the political parties and all labor unions, corporations, and trade associations to influence a federal election.**

- o **Ethics:** The President issued an Executive Order creating the President's Commission on Federal Ethics Law Reform, which submitted its recommendations to the President on March 9. Responding to the Commission's work, the President, on April 12, sent to Congress a sweeping ethics bill and simultaneously issued an Executive Order announcing ethical principles for the conduct of executive branch employees. The President's proposals include:
 - **Expanded financial disclosure for all three branches of government.**

- **Deferral of tax liability** when an individual is required by his or her agency to divest assets in order to avoid conflicts of interest.
- **Strengthened rules against abusing the revolving door for private gain at the expense of the public trust.** These rules would also apply for the first time to the legislative branch.
- **A 25 percent pay raise for federal judges** was proposed in the legislation submitted April 12. On July 7, the President submitted separate legislation calling for pay increases for certain specialized professionals and other senior officials in the executive branch.
- **Congressional Honoraria Ban:** On July 7, the President also sent to Congress legislation that calls for the elimination of Congressional honoraria by 1991, making the next Congress honoraria-free. This proposal is linked to the enactment by Congress of a pay increase for its Members, and the President will work with Congress toward this end.
- The extension of the federal statute that prohibits employees from taking actions that enhance their own financial interest to cover legislative and judicial branch employees (but not Members of Congress).
- The extension of the **Independent Counsel statute to cover the Congress** and the creation of an independent, non-partisan Congressional Ethics Office.
- **A ban on outside earned income** for full-time non-career Presidential appointees in the executive branch, including non-career employees in the immediate White House Office.

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BUILDING A BETTER AMERICA
APRIL 24, 1989

SUMMARY

Since President Bush took office, he has addressed a series of tough issues, meeting both urgent short-term priorities and working toward solutions to the long-term challenges facing the nation. Relying on basic American principles -- traditional family values, choice, accountability, fairness, excellence, peace through strength -- the President is building a better America by:

1. Keeping the economy strong -- with no new taxes
2. Seizing international opportunities for peace
3. Investing in our future
4. Working for a kinder, gentler America

Keeping the Economy Strong -- With No New Taxes

- o Record economic growth -- 76 months of economic expansion. Nearly 20 million new jobs have been created, and the unemployment rate is now at its lowest since December, 1973. Real median family income set a new record in 1987 and continues to grow.
- o A comprehensive budget proposal sent to the Congress and an unprecedented bipartisan agreement with the Congress reached on the budget reducing the Federal budget deficit, meeting Gramm-Rudman-Hollings deficit reduction targets with no new taxes
- o A comprehensive plan to rescue the Savings and Loan industry which has cleared the Senate
- o An initiative for cutting the capital gains tax rate sent to the Congress to encourage investment and create jobs and opportunity
- o In the Uruguay Round of GATT trade negotiations, substantial progress has been made by the Administration toward reducing trade barriers to U.S. exports
- o A plan for raising the minimum wage to \$4.25 coupled with a six month training wage

Seizing International Opportunities for Peace

- o The signing of a bipartisan accord with the Congress on Central America
- o The initiation of a dialogue with the Soviet Union. Secretary Baker met with Foreign Minister Shevardnadze in March, and these talks will continue when the two meet next in Moscow

- o An eight-step program to support Polish political and economic reforms
- o Intensive Presidential consultations with the leaders of 34 nations, including 18 bilateral meetings held during the Asia trip
- o A plan to strengthen the international response to Third World debt
- o Comprehensive foreign policy and defense strategy reviews initiated

Investing in Our Future

Improving Education

- o A comprehensive legislative package for educational excellence sent to the Congress

Protecting our Environment

- o A multi-agency commitment to oversee the Alaskan oil spill cleanup effort
- o The development of Clean Air Act revisions, with provisions for control of acid rain and other problems
- o An announcement of an effort to seek legislative authority to ban hazardous waste exports, where agreements do not exist for their safe disposal
- o A call for the worldwide phaseout of CFCs by the year 2000
- o A plan of action to identify and prioritize clean up of defense and civilian radioactive waste
- o A legislative proposal, already enacted by the House, to deregulate natural gas by January 1, 1993

Fighting Drugs and Crime

- o A major \$6 billion anti-drug abuse initiative focusing on education, rehabilitation, interdiction and enforcement
- o Action in response to the drug emergency in the District of Columbia, including enforcement support, more prison space, and stepped-up efforts in prevention and rehabilitation
- o A temporary suspension of imports of certain types of semi-automatic weapons
- o Action to modify lease and grievance procedures to facilitate eviction of those involved in drug related criminal activity from public housing
- o New aviation security initiatives announced by the Secretary of Transportation, to counteract terrorism in the skies

Working for a Kinder, Gentler America

Child Care

- o A child care initiative to give low and moderate income working families greater choice and flexibility in meeting their child care needs
- o Legislation to increase the FY 1990 authorization for Head Start by \$250 million to help up to 95,000 more 4-year olds

National Service

- o The creation of the Office of National Service in the White House, and leadership in the Administration's initiative on volunteerism

Welfare Reform and Medicaid

- o Quick action to implement major welfare reform legislation that will help reduce long-term welfare dependency
- o Expansion of the Medicaid program to serve more pregnant women, infants, and children

Homelessness

- o An initiative to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing and health care

Ethics and Civil Rights

- o A comprehensive ethics proposal to make uniform the standards among all three branches of government
- o Whistleblower protection legislation, now law, to strengthen the rights of those who report misdeeds and mismanagement
- o Enforcement of the new Fair Housing Laws, to fully prosecute those discriminating in housing opportunities on the basis of religion, race, age, ethnicity, handicap or family status
- o Support by the Department of Justice for the objectives of the Hate Crimes Bill, which provides for the collection of data about crimes motivated by race, religion, ethnicity or sexual orientation

President Bush has set an agenda for the country. He is orienting us as a nation toward the future -- building a better America -- keeping America strong and at peace. Leadership is the ability to see the shape of things to come, to address tomorrow's challenges today. George Bush is preparing the nation for the 21st Century.

BUILDING A BETTER AMERICA
APRIL 24, 1989

KEEPING THE ECONOMY STRONG -- WITH NO NEW TAXES

Keeping our nation's economy strong is the key to managing change successfully. The news is good:

- o **Record expansion:** We are now in the 76th month of the current economic expansion.
- o **Job creation:** Nearly 20 million new jobs have been created, and the unemployment rate has declined to 4.9 percent, a 15 year low. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined.
- o **Record income:** Per capita personal income, after taxes and inflation, has risen 17 percent during the expansion; real income of the median family -- the family exactly in the middle of the income distribution -- set a new record in 1987 and continues to grow.
- o **Industrial output:** During this expansion, American industrial output has grown 33 percent compared with overall economic growth of 26 percent. This is double Europe's growth rate in industrial output and even slightly more than Japan's rate of increase during the same period.
- o **Inflation under control:** We have had seven straight years of consumer price inflation under 5 percent. The Administration supports the Federal Reserve's efforts to restrain inflation while maintaining real economic growth. The Administration and the Fed share the goal of ultimately achieving price stability -- zero inflation.

ACTION BY THE ADMINISTRATION:

- o **Presenting a budget:** The President put forth a budget which addresses our fundamental obligations for protection of national security and support of the needy, while providing sufficient funds to advance high-priority initiatives. The President's budget restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes.
- o **Reaching a budget agreement with Congress:** The President and Congress announced on April 14 a budget plan to reduce the estimated FY 1990 deficit by about \$64 billion below FY 1989. The deficit will be reduced to \$99.4 billion, as required by the Gramm-Rudman-Hollings law. This is the

first budget agreement reached before the start of the budget year and not framed in the context of crisis.

- **Savings and Loan reform:** The Administration has transmitted the "Financial Institutions Reform, Recovery and Enforcement Act of 1989" to Congress, which has already cleared the Senate. The proposal includes provisions to:
 - Assure financial integrity of deposit insurance by raising the annual premium rate for both commercial banks and S&Ls.
 - Resolve the status of existing insolvent banks in an orderly fashion.
 - Improve supervisory control by bringing S&Ls up to the same standards applied to commercial banks.
 - Enhance enforcement of bank fraud provisions.
- **Capital gains tax rate cut:** The re-establishment of a capital gains differential will encourage capital formation, and investment and stimulate job creation. The President has sent to the Congress a proposal which includes:
 - A 45 percent capital gains exclusion for qualified capital gains, making the maximum capital gains tax rate 15 percent.
 - A phased-in increase in the qualifying holding period from one year to three years.
 - Families earning under \$20,000 would be exempted from the tax.
- **Minimum wage proposal:** The President is seeking to minimize the adverse economic impact of an across-the-board increase in the minimum wage, and to keep job opportunities available for youth and those seeking to enter the economic mainstream. His proposal is:
 - A 27 percent increase in the minimum wage over three years to \$4.25 for most workers.
 - Maintaining the current \$3.35 minimum for all new employees of a firm on the job for less than six months, regardless of age or previous employment.
 - An increase in the small business exemption to include all firms, not just retail and service establishments, with gross sales under \$500,000.
 - An increase in the tip credit from 40 percent to 50 percent.

The President's pledge to veto an excessive increase in the minimum wage has gained strong support in both Houses of Congress.
- **International Trade:** The Administration broke a logjam in international trade talks which had existed since late 1988. In breaking the stalemate, the United States advanced its proposal to correct and prevent trade distortions in agriculture. This clears the way for negotiations that -- if

successful over the next 20 months -- will greatly expand rules governing free and open trade.

o **Agricultural initiatives:**

- The announcement of additional advance deficiency payments of 10 percent available to producers of wheat, feed grains, rice and upland cotton.
- The establishment of a top-level Working Group on Rural Development to focus on an action-oriented agenda.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

The Administration's policy of peace through strength is working. As he prepares for both the 40th Anniversary of NATO in Brussels and the economic summit in Paris, President Bush has undertaken a number of foreign policy initiatives to maintain America's position of world leadership.

ACTION BY THE ADMINISTRATION:

- o **Bipartisan accord:** On March 24, the President signed the Bipartisan Accord on Central America with top leaders of the Congress. The agreement sets out the broad outlines of a strong and effective U.S. policy in the region:
 - **Humanitarian aid:** Congress has agreed to support the Administration's request for continued humanitarian assistance for the Nicaraguan Democratic Resistance at current levels through the elections in Nicaragua scheduled for February, 1990.
 - **Democracy and Regional Peace:** The burden of proof is on the Sandinista government to do something it has steadfastly refused to do from 1979 to 1989: keep its promises to its people and its neighbors. If those pledges of democracy and peace continue to be violated, we hope and expect that other nations will find ways to join us to condemn those actions. But if those promises are kept, we have an opportunity to start a new day in Central America.
- o **Support for reform in Poland:** The Polish people are now taking concrete steps which deserve our active support. Those reforms include the legalization of Poland's heroic trade union movement, Solidarity, and were recognized by President Bush's initiative, which contained eight steps to support Polish political and economic reforms:
 - The President is asking the Congress to join him in providing Poland access to our Generalized System of Preferences, which offers selective tariff relief to beneficiary countries.
 - We are working with our allies and friends in the Paris Club to develop sustainable new schedules for Poland to repay its debt, easing a heavy burden so that a free market can grow.
 - The President is also asking Congress to join him in authorizing the Overseas Private Investment Corporation to operate in Poland.
 - The President is proposing negotiations for a private business agreement with Poland to encourage cooperation between U.S. firms and Poland's private businesses.
 - The U.S. will continue to consider supporting, on their merits, viable loans to the private sector by the International Finance Corporation.

- The President supports the Roundtable agreements that clear the way for Poland to be able to work with the International Monetary Fund on programs that encourage sound, new, market-oriented economic policies.
 - The Administration is also encouraging business and non-profit groups to develop innovative programs to swap Polish debt for equity in Polish enterprises; and for charitable, humanitarian and environmental projects.
 - The President will support imaginative educational, cultural and training programs to help liberate the creative energies of the Polish people.
- o **Bilateral meetings:** The President has met with a total of 34 foreign leaders while in office, including a series of 18 bilateral meetings during the trip to Emperor Hirohito's funeral. President Bush has met with leaders from the Middle East, including Prime Minister Shamir of Israel, President Mubarak of Egypt and King Hussein of Jordan.
 - o A dialogue has begun with the Soviet Union. Secretary Baker met with Foreign Minister Shevardnadze in March, and these talks will continue when the two meet next in Moscow
 - o **Inter-American Development Bank:** The Bush Administration successfully concluded negotiations which will lead to a substantial increase in the Bank's resources. The resulting \$22.5 billion in lending over the 1990-93 period will support development efforts in major Latin American debtor countries as well as the smaller countries of Central America and the Caribbean.
 - o **Initiative on Third World Debt:** The President's initiative to strengthen the international strategy on Third World debt has already received broad international support from both industrialized and developing countries. The approach is designed to promote sustained growth in developing countries by:
 - Emphasizing sound market-oriented economic policies in debtor countries, particularly measures to promote investment and repatriation of flight capital;
 - Increasing the focus on debt and debt service reduction to complement new lending by commercial banks;
 - Using resources from the World Bank and International Monetary Fund to catalyze voluntary debt and debt service reduction by the commercial banks.
 - o **GATT:** In the Uruguay Round of GATT trade negotiations, the Administration has made substantial progress toward reducing trade barriers to U.S. exports.
 - o **Policy reviews:** President Bush has ordered a comprehensive review of foreign policy and defense strategies, soon to be completed.

INVESTING IN OUR FUTURE

EDUCATION

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

ACTION BY THE ADMINISTRATION:

- o The President proposed and sent to the Congress a comprehensive education package, "**The Educational Excellence Act of 1989**" which includes seven initiatives:
 - **The Presidential Merit Schools program** -- to reward schools that have made substantial progress in raising students' educational achievement, creating a safe and drug-free school environment, and reducing the drop-out rate.
 - **A new Magnet Schools of Excellence program** -- to support the establishment, expansion or enhancement of magnet schools, increasing parental choice and improving quality education.
 - **The Alternative Certification of Teachers and Principals program** -- to assist States interested in broadening the pool of talent from which to recruit teachers and principals.
 - **President's Awards for Excellence in Education** -- to be awarded to public and private school teachers in every state who meet the highest standards of excellence.
 - **Drug-free Schools Urban Emergency Grants** -- to provide special assistance to selected urban school districts that are disproportionately affected by drug trafficking and abuse.
 - **A National Science Scholars program** -- to provide college scholarships to high school seniors who have excelled in the sciences and mathematics.
 - **Additional Funding Authorization for Endowment Matching Grants at Historically Black Colleges and Universities** to strengthen HBCUs by building endowments, an especially effective way to create financial strength and long-term security.

THE ENVIRONMENT

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

ACTION BY THE ADMINISTRATION:o **Alaskan oil spill:**

- A Cabinet-level team was sent to assess the Alaskan oil spill situation, and a joint federal-state resource recovery team was convened, with Secretary of Transportation Skinner now coordinating all efforts. Coast Guard Commandant Yost has returned to Alaska to assume personal oversight of developments, and the National Transportation Safety Board is investigating the accident itself. Exxon has accepted responsibility for paying for the cleanup, and for employing local civilian personnel necessary to control further damage.
- In addition to the considerable federal personnel and equipment already in place, on April 7, the President announced that Defense Secretary Cheney will make available U.S. Armed Forces personnel and equipment to assist in the cleanup. EPA Administrator Reilly will coordinate the long-range planning to restore the environment of Prince William Sound, and the President has ordered a review of existing contingency plans for accidents such as this. The Departments of Interior, Commerce and Agriculture, with the State of Alaska, have begun a scientific assessment of damages to natural resources. Exxon has provided \$15 million in up-front funding for this effort.
- The President has set up a special task force to address environmental concerns about oil and gas drilling off the coasts of California and Florida.

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

- o Also, Secretary of Energy Watkins has put forth a plan of action to identify and prioritize clean up of defense and civilian radioactive waste.

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

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

- o **Clean Air and Acid Rain:** The President committed his Administration to submitting a new Clean Air Act, including provisions for control of acid rain, ozone, and toxic air pollutants. Top Administration officials have begun drafting a bill, in consultation with leaders of Congress.
- o **Clean water and coastlines:** The EPA has started a tracking system for medical wastes and the Justice Department has started a task force to prosecute these abuses -- the first step in a comprehensive program to help keep our beaches clean. The President is committed to end ocean dumping of sewage sludge by 1991.
- o **Wetlands:** The President is committed to "no net loss of wetlands" and is directing his agencies to work toward that goal. He has also proposed \$206 million in his budget to expand our parks and wildlife refuges.

FIGHTING DRUGS AND CRIME

With the confirmation of Bill Bennett as Director of National Drug Control Policy, and the trip by Attorney General Thornburgh to South America to meet with local leaders with regard to joint eradication and interdiction efforts, we have begun a new war on drugs in this country. The President believes a four-pronged approach is key: education, rehabilitation, interdiction and enforcement. The policy of this Administration is "zero tolerance." No amount of illegal drug use is acceptable. This means dealing with both supply and demand.

ACTION BY THE ADMINISTRATION:

- o **Budget:** The Administration is requesting \$6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly \$1 billion for drug education, treatment and enforcement.
- o **Education:** The Administration is requesting nearly \$1.1 billion for education and prevention efforts. This is a 16 percent increase over 1989, and includes funding for ongoing programs and new initiatives.
- o **Rehabilitation:** Funding for drug abuse treatment will be increased 18 percent. The Administration is proposing over \$700 million to expand the nation's capacity to provide treatment, particularly to the indigent, disadvantaged, youth, and expectant mothers.
- o **Interdiction and enforcement:** The Administration is proposing over \$4.1 billion for law enforcement programs in 1990, a 10 percent increase over 1989. This constitutes about 70 percent of President Bush's proposed drug budget. Substantial increases are requested in funding to strengthen inspection, interdiction, intelligence efforts and crop

eradication programs, such as Operation Polar Cap, a federally led effort which broke up a \$1.2 billion drug money-laundering operation. The President strongly supports the death penalty for drug kingpins who commit drug-related murders, and will appoint judges who will strongly enforce the drug penalty laws.

- o The Administration imposed a temporary suspension of imports of certain types of semi-automatic weapons, and has undertaken an emergency study to identify the best means of reducing drug-related killings and other violent crime.
- o **Public housing:** The Bush Administration is working to make public housing drug free, to protect the rights of the vast majority of decent, law-abiding public housing residents. The Department of Housing and Urban Development has acted:
 - To modify its lease and grievance procedures to facilitate eviction of those involved in drug related criminal activity;
 - To make drug use and trafficking a lease violation subject to eviction proceedings;
 - To target federal assistance to anti-drug security measures;
 - To revoke federal housing subsidies from those dealing in drugs;
 - To involve the private and voluntary sectors in efforts to rid public housing of drugs and give residents, especially young people, a stake in their communities and their futures.
- o In addition, the Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia:
 - **A Metropolitan Area Task Force will be expanded**, with 57 additional representatives from federal agencies, and state and local police from D.C., Maryland and Virginia.
 - **More prisons:** The federal Bureau of Prisons will take custody of 250 inmates from the D.C. jail, and work to locate land for construction of a new prison.
 - **Enforcement:** The FBI will provide support to D.C. police in investigations of drug-related murders.
 - **Rehabilitation:** The National Institute on Drug Abuse will provide assistance in local treatment efforts and will be authorized to establish three new outpatient clinics by 1990.
 - **Prevention:** The Department of Education will provide the District with 50 percent more funds for drug prevention programs in city schools. The Department of Labor will work with the business community to increase job training for youth, and will provide a \$100,000 grant to establish employee assistance programs for drug abuse.

WORKING FOR A KINDER, GENTLER AMERICACHILD CARE

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

ACTION BY THE ADMINISTRATION:

- o **Child care:** The President has proposed a child care package, the "Working Family Child Care Assistance Act of 1989" which:
 - Provides a new refundable child care tax credit of up to \$1000 per child under four, for low and moderate income working families.
 - Makes the existing Child and Dependent Care Tax Credit refundable.
 - Does not discriminate against religious- and family-based child care.
- o The President has directed Secretary of Labor Dole to study the market for liability insurance to determine if liability issues impair child care.
- o **Head Start:** The President has also transmitted legislation to the Congress which would increase the FY 1990 authorization for Head Start by \$250 million; this will pay for enrollment of up to 95,000 more four-year-olds in the program.

NATIONAL SERVICE

President Bush has said that "From now on in America, any definition of a successful life must include serving others."

ACTION BY THE ADMINISTRATION:

- o **Office of National Service:** The President established in the White House the Office of National Service to lead the Administration's national service movement. This Office will identify effective community service models and encourage others to duplicate them across the country. It will challenge individuals, schools, businesses, civic and service groups, religious institutions and other entities to expand existing community service programs and to create new ones. The goal of this Office is to make service to others a central part of every American's life, and in so doing, to help to ameliorate the urgent ills which fray the fabric of American society. The Office will recommend changes in national social and economic policy to promote and encourage

service, including tort law reform, welfare law reform and housing, to name a few.

- o **Presidential Proclamation:** In signing the proclamation commemorating National Volunteer Week, April 9-15, the President challenged every American who cares about the future of this country to engage in some meaningful form of community service. He awarded 18 Presidential Awards to those chosen from nearly 2000 applications -- to winners who embody the ideals of goodness, compassion and concern for others.

WELFARE REFORM

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

ACTION BY THE ADMINISTRATION:

- o **Welfare reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988. The proposed rules are designed to:
 - Target job training assistance to those who are most likely to benefit and who are most at risk for long-term welfare dependency.
 - Provide maximum level of flexibility to AFDC parents in obtaining the type of child care that best suits their needs, consistent with the Administration's legislative proposals on child care.
- o **JOBS Program:** The Administration is proposing to spend \$3.3 billion over the next five years implementing the JOBS program. The changes will pay benefits in the future by reducing the number of individuals on welfare. It is estimated that 138,000 families will be able to leave welfare rolls over the next five years as a result of this program.

EXPANSION OF MEDICAID

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

ACTION BY THE ADMINISTRATION:

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

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

- Increase by 374,000 the number of pregnant women and children eligible for Medicaid.
- Foster greater participation in Medicaid by eligible pregnant women by providing services to pregnant women who are presumed eligible for Medicaid before a formal eligibility determination is made; and by requiring States to operate outreach programs in areas of high infant mortality.
- Entitle all children under age 6 who are receiving Food Stamps to Medicaid coverage for immunizations.
- Make the Federal match rate for State administration expenses a uniform 50 percent by gradually reducing special administrative match rates ranging from 75 to 100 percent. The savings that would result would allow the legislative eligibility changes proposed by the President to be implemented within the current program's spending level.

HOUSING/HOMELESSNESS

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

ACTION BY THE ADMINISTRATION:

- o **Homelessness:** A proposal to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing, health care and human dignity. President Bush's proposal calls for fully funding the McKinney Homeless Assistance Act and for a new \$50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.
- o **Enterprise zones:** A call for enactment of enterprise zone legislation, to give urban and rural areas the opportunity for jobs and hope for the future. President Bush asked Congress to enact labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities.
- o **Affordable housing:** A commitment to making housing more affordable for low-income families, and to provide homeownership opportunities to the poor and young families just starting out. President Bush proposes to assist 109,000 new families in need of low-income housing, and has pledged to maintain assistance to those families already being helped. President Bush has also signalled his commitment to empowering poor residents of public housing to become homeowners through resident management and ownership of public housing.

ETHICS AND CIVIL RIGHTS

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

ACTION BY THE ADMINISTRATION:

- o **Ethics:** The President issued an Executive Order creating the President's Commission on Federal Ethics Law Reform. On March 9, the Commission filed its report and its recommendations to the President. Legislation was sent April 12th to the Congress, and the President issued an Executive Order announcing ethical principles for the conduct of executive branch employees. The President's proposals include:
 - A ban on outside earned income for non-career Presidential appointees in the executive branch, including all employees in the immediate White House Office.
 - Expanded financial disclosure for all three branches of government.
 - Prohibition of the conversion of political contributions for personal or office use.
 - A comprehensive review of federal campaign finance laws, including an assessment of the impact of PACs on parties, competition and political debate. The President believes that PAC contributions to candidates should be eliminated, and he will be consulting with the Congress on this issue. President Bush is also opposed to federal funding of congressional campaigns.
 - Deferral of tax liability when an individual is required by his or her agency to divest assets in order to avoid conflicts of interest.
 - Strengthened rules against abusing the revolving door for private gain at the expense of the public trust. These rules also apply to the legislative branch.
 - A 25 percent pay raise for federal judges was proposed in separate legislation submitted April 12, while the ethics reform legislation restricts their acceptance of honoraria. President Bush believes that honoraria for Members of Congress should be banned; however, the President will not formalize that proposal until after he consults with Congress on that issue and their pay raise. He will include in that discussion the question of a pay increase for certain executive branch positions.
 - The extension of the Independent Counsel statute to cover the Congress.
 - The extension of the federal statute that prohibits employees from taking actions that enhance their own financial interest to cover legislative and judicial branch employees.

- The establishment of an independent ethics office for the Congress, to be headed by a clearly nonpartisan official, confirmed by both houses.
- The application of the existing one-year post-employment "cooling-off" period for senior executive-branch employees to the legislative and judicial branches.
- o **Whistleblower protection:** The President supports public servants who revere the trust placed in them by the American people. On April 10, the President signed S. 20, the "Whistleblower Protection Act of 1989." This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.
 - This new law will enhance the authority of the Office of Special Counsel, and whistleblowers will also now be allowed to take their cases to the Merit Systems Protection Board.
 - The statute alters the legal burdens of proof, making it easier for employees to be vindicated when they are wrongfully penalized by their supervisors for whistleblowing activities.
- o **Civil rights:** The Administration has taken a number of actions to protect the civil rights of all Americans, including several court actions in key civil rights cases.
 - On March 8, the Department of Justice endorsed the objectives of the Hate Crimes Bill and voiced no opposition to the bill's enactment. The Hate Crimes Bill provides for the collection of data about crimes motivated by race, religion, ethnicity or sexual orientation.
 - On March 13, Attorney General Thornburgh announced the filing of Federal housing discrimination lawsuits seeking monetary damages and civil penalties under the expanded enforcement authority of the Fair Housing Amendments Act of 1988.

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BUILDING A BETTER AMERICA

APRIL 24, 1989

SUMMARY

Since President Bush took office, he has addressed a series of tough issues, meeting both urgent short-term priorities and working toward solutions to the long-term challenges facing the nation. Relying on basic American principles -- traditional family values, choice, accountability, fairness, excellence, peace through strength -- the President is building a better America by:

1. Keeping the economy strong -- with no new taxes
2. Seizing international opportunities for peace
3. Investing in our future
4. Working for a kinder, gentler America

Keeping the Economy Strong -- With No New Taxes

- o Record economic growth -- 76 months of economic expansion. Nearly 20 million new jobs have been created, and the unemployment rate is now at its lowest since December, 1973. Real median family income set a new record in 1987 and continues to grow.
- o A comprehensive budget proposal sent to the Congress and an unprecedented bipartisan agreement with the Congress reached on the budget reducing the Federal budget deficit, meeting Gramm-Rudman-Hollings deficit reduction targets with no new taxes
- o A comprehensive plan to rescue the Savings and Loan industry which has cleared the Senate
- o An initiative for cutting the capital gains tax rate sent to the Congress to encourage investment and create jobs and opportunity
- o In the Uruguay Round of GATT trade negotiations, substantial progress has been made by the Administration toward reducing trade barriers to U.S. exports
- o A plan for raising the minimum wage to \$4.25 coupled with a six month training wage

Seizing International Opportunities for Peace

- o The signing of a bipartisan accord with the Congress on Central America
- o The initiation of a dialogue with the Soviet Union. Secretary Baker met with Foreign Minister Shevardnadze in March, and these talks will continue when the two meet next in Moscow

- o An eight-step program to support Polish political and economic reforms
- o Intensive Presidential consultations with the leaders of 34 nations, including 18 bilateral meetings held during the Asia trip
- o A plan to strengthen the international response to Third World debt
- o Comprehensive foreign policy and defense strategy reviews initiated

Investing in Our Future

Improving Education

- o A comprehensive legislative package for educational excellence sent to the Congress

Protecting our Environment

- o A multi-agency commitment to oversee the Alaskan oil spill cleanup effort
- o The development of Clean Air Act revisions, with provisions for control of acid rain and other problems
- o An announcement of an effort to seek legislative authority to ban hazardous waste exports, where agreements do not exist for their safe disposal
- o A call for the worldwide phaseout of CFCs by the year 2000
- o A plan of action to identify and prioritize clean up of defense and civilian radioactive waste
- o A legislative proposal, already enacted by the House, to deregulate natural gas by January 1, 1993

Fighting Drugs and Crime

- o A major \$6 billion anti-drug abuse initiative focusing on education, rehabilitation, interdiction and enforcement
- o Action in response to the drug emergency in the District of Columbia, including enforcement support, more prison space, and stepped-up efforts in prevention and rehabilitation
- o A temporary suspension of imports of certain types of semi-automatic weapons
- o Action to modify lease and grievance procedures to facilitate eviction of those involved in drug related criminal activity from public housing
- o New aviation security initiatives announced by the Secretary of Transportation, to counteract terrorism in the skies

Working for a Kinder, Gentler America

Child Care

- o A child care initiative to give low and moderate income working families greater choice and flexibility in meeting their child care needs
- o Legislation to increase the FY 1990 authorization for Head Start by \$250 million to help up to 95,000 more 4-year olds

National Service

- o The creation of the Office of National Service in the White House, and leadership in the Administration's initiative on volunteerism

Welfare Reform and Medicaid

- o Quick action to implement major welfare reform legislation that will help reduce long-term welfare dependency
- o Expansion of the Medicaid program to serve more pregnant women, infants, and children

Homelessness

- o An initiative to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing and health care

Ethics and Civil Rights

- o A comprehensive ethics proposal to make uniform the standards among all three branches of government
- o Whistleblower protection legislation, now law, to strengthen the rights of those who report misdeeds and mismanagement
- o Enforcement of the new Fair Housing Laws, to fully prosecute those discriminating in housing opportunities on the basis of religion, race, age, ethnicity, handicap or family status
- o Support by the Department of Justice for the objectives of the Hate Crimes Bill, which provides for the collection of data about crimes motivated by race, religion, ethnicity or sexual orientation

President Bush has set an agenda for the country. He is orienting us as a nation toward the future -- building a better America -- keeping America strong and at peace. Leadership is the ability to see the shape of things to come, to address tomorrow's challenges today. George Bush is preparing the nation for the 21st Century.

BUILDING A BETTER AMERICA
APRIL 24, 1989

KEEPING THE ECONOMY STRONG -- WITH NO NEW TAXES

Keeping our nation's economy strong is the key to managing change successfully. The news is good:

- o **Record expansion:** We are now in the 76th month of the current economic expansion.
- o **Job creation:** Nearly 20 million new jobs have been created, and the unemployment rate has declined to 4.9 percent, a 15 year low. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined.
- o **Record income:** Per capita personal income, after taxes and inflation, has risen 17 percent during the expansion; real income of the median family -- the family exactly in the middle of the income distribution -- set a new record in 1987 and continues to grow.
- o **Industrial output:** During this expansion, American industrial output has grown 33 percent compared with overall economic growth of 26 percent. This is double Europe's growth rate in industrial output and even slightly more than Japan's rate of increase during the same period.
- o **Inflation under control:** We have had seven straight years of consumer price inflation under 5 percent. The Administration supports the Federal Reserve's efforts to restrain inflation while maintaining real economic growth. The Administration and the Fed share the goal of ultimately achieving price stability -- zero inflation.

ACTION BY THE ADMINISTRATION:

- o **Presenting a budget:** The President put forth a budget which addresses our fundamental obligations for protection of national security and support of the needy, while providing sufficient funds to advance high-priority initiatives. The President's budget restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes.
- o **Reaching a budget agreement with Congress:** The President and Congress announced on April 14 a budget plan to reduce the estimated FY 1990 deficit by about \$64 billion below FY 1989. The deficit will be reduced to \$99.4 billion, as required by the Gramm-Rudman-Hollings law. This is the

first budget agreement reached before the start of the budget year and not framed in the context of crisis.

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FIGHTING DRUGS AND CRIME

With the confirmation of Bill Bennett as Director of National Drug Control Policy, and the trip by Attorney General Thornburgh to South America to meet with local leaders with regard to joint eradication and interdiction efforts, we have begun a new war on drugs in this country. The President believes a four-pronged approach is key: education, rehabilitation, interdiction and enforcement. The policy of this Administration is "zero tolerance." No amount of illegal drug use is acceptable. This means dealing with both supply and demand.

ACTION BY THE ADMINISTRATION:

- o **Budget:** The Administration is requesting \$6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly \$1 billion for drug education, treatment and enforcement.
- o **Education:** The Administration is requesting nearly \$1.1 billion for education and prevention efforts. This is a 16 percent increase over 1989, and includes funding for ongoing programs and new initiatives.
- o **Rehabilitation:** Funding for drug abuse treatment will be increased 18 percent. The Administration is proposing over \$700 million to expand the nation's capacity to provide treatment, particularly to the indigent, disadvantaged, youth, and expectant mothers.
- o **Interdiction and enforcement:** The Administration is proposing over \$4.1 billion for law enforcement programs in 1990, a 10 percent increase over 1989. This constitutes about 70 percent of President Bush's proposed drug budget. Substantial increases are requested in funding to strengthen inspection, interdiction, intelligence efforts and crop

eradication programs, such as Operation Polar Cap, a federally led effort which broke up a \$1.2 billion drug money-laundering operation. The President strongly supports the death penalty for drug kingpins who commit drug-related murders, and will appoint judges who will strongly enforce the drug penalty laws.

- o The Administration imposed a temporary suspension of imports of certain types of semi-automatic weapons, and has undertaken an emergency study to identify the best means of reducing drug-related killings and other violent crime.
- o **Public housing:** The Bush Administration is working to make public housing drug free, to protect the rights of the vast majority of decent, law-abiding public housing residents. The Department of Housing and Urban Development has acted:
 - To modify its lease and grievance procedures to facilitate eviction of those involved in drug related criminal activity;
 - To make drug use and trafficking a lease violation subject to eviction proceedings;
 - To target federal assistance to anti-drug security measures;
 - To revoke federal housing subsidies from those dealing in drugs;
 - To involve the private and voluntary sectors in efforts to rid public housing of drugs and give residents, especially young people, a stake in their communities and their futures.
- o In addition, the Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia:
 - **A Metropolitan Area Task Force** will be expanded, with 57 additional representatives from federal agencies, and state and local police from D.C., Maryland and Virginia.
 - **More prisons:** The federal Bureau of Prisons will take custody of 250 inmates from the D.C. jail, and work to locate land for construction of a new prison.
 - **Enforcement:** The FBI will provide support to D.C. police in investigations of drug-related murders.
 - **Rehabilitation:** The National Institute on Drug Abuse will provide assistance in local treatment efforts and will be authorized to establish three new outpatient clinics by 1990.
 - **Prevention:** The Department of Education will provide the District with 50 percent more funds for drug prevention programs in city schools. The Department of Labor will work with the business community to increase job training for youth, and will provide a \$100,000 grant to establish employee assistance programs for drug abuse.

WORKING FOR A KINDER, GENTLER AMERICA

CHILD CARE

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

ACTION BY THE ADMINISTRATION:

- o **Child care:** The President has proposed a child care package, the "Working Family Child Care Assistance Act of 1989" which:
 - Provides a new refundable child care tax credit of up to \$1000 per child under four, for low and moderate income working families.
 - Makes the existing Child and Dependent Care Tax Credit refundable.
 - Does not discriminate against religious- and family-based child care.
- o The President has directed Secretary of Labor Dole to study the market for liability insurance to determine if liability issues impair child care.
- o **Head Start:** The President has also transmitted legislation to the Congress which would increase the FY 1990 authorization for Head Start by \$250 million; this will pay for enrollment of up to 95,000 more four-year-olds in the program.

NATIONAL SERVICE

President Bush has said that "From now on in America, any definition of a successful life must include serving others."

ACTION BY THE ADMINISTRATION:

- o **Office of National Service:** The President established in the White House the Office of National Service to lead the Administration's national service movement. This Office will identify effective community service models and encourage others to duplicate them across the country. It will challenge individuals, schools, businesses, civic and service groups, religious institutions and other entities to expand existing community service programs and to create new ones. The goal of this Office is to make service to others a central part of every American's life, and in so doing, to help to ameliorate the urgent ills which fray the fabric of American society. The Office will recommend changes in national social and economic policy to promote and encourage

service, including tort law reform, welfare law reform and housing, to name a few.

- o **Presidential Proclamation:** In signing the proclamation commemorating National Volunteer Week, April 9-15, the President challenged every American who cares about the future of this country to engage in some meaningful form of community service. He awarded 18 Presidential Awards to those chosen from nearly 2000 applications -- to winners who embody the ideals of goodness, compassion and concern for others.

WELFARE REFORM

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

ACTION BY THE ADMINISTRATION:

- o **Welfare reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988. The proposed rules are designed to:
 - Target job training assistance to those who are most likely to benefit and who are most at risk for long-term welfare dependency.
 - Provide maximum level of flexibility to AFDC parents in obtaining the type of child care that best suits their needs, consistent with the Administration's legislative proposals on child care.
- o **JOBS Program:** The Administration is proposing to spend \$3.3 billion over the next five years implementing the JOBS program. The changes will pay benefits in the future by reducing the number of individuals on welfare. It is estimated that 138,000 families will be able to leave welfare rolls over the next five years as a result of this program.

EXPANSION OF MEDICAID

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

ACTION BY THE ADMINISTRATION:

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

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

- Increase by 374,000 the number of pregnant women and children eligible for Medicaid.
- Foster greater participation in Medicaid by eligible pregnant women by providing services to pregnant women who are presumed eligible for Medicaid before a formal eligibility determination is made; and by requiring States to operate outreach programs in areas of high infant mortality.
- Entitle all children under age 6 who are receiving Food Stamps to Medicaid coverage for immunizations.
- Make the Federal match rate for State administration expenses a uniform 50 percent by gradually reducing special administrative match rates ranging from 75 to 100 percent. The savings that would result would allow the legislative eligibility changes proposed by the President to be implemented within the current program's spending level.

HOUSING/HOMELESSNESS

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

ACTION BY THE ADMINISTRATION:

- o **Homelessness:** A proposal to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing, health care and human dignity. President Bush's proposal calls for fully funding the McKinney Homeless Assistance Act and for a new \$50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.
- o **Enterprise zones:** A call for enactment of enterprise zone legislation, to give urban and rural areas the opportunity for jobs and hope for the future. President Bush asked Congress to enact labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities.
- o **Affordable housing:** A commitment to making housing more affordable for low-income families, and to provide homeownership opportunities to the poor and young families just starting out. President Bush proposes to assist 109,000 new families in need of low-income housing, and has pledged to maintain assistance to those families already being helped. President Bush has also signalled his commitment to empowering poor residents of public housing to become homeowners through resident management and ownership of public housing.

ETHICS AND CIVIL RIGHTS

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

ACTION BY THE ADMINISTRATION:

- o **Ethics:** The President issued an Executive Order creating the President's Commission on Federal Ethics Law Reform. On March 9, the Commission filed its report and its recommendations to the President. Legislation was sent April 12th to the Congress, and the President issued an Executive Order announcing ethical principles for the conduct of executive branch employees. The President's proposals include:
 - A ban on outside earned income for non-career Presidential appointees in the executive branch, including all employees in the immediate White House Office.
 - Expanded financial disclosure for all three branches of government.
 - Prohibition of the conversion of political contributions for personal or office use.
 - A comprehensive review of federal campaign finance laws, including an assessment of the impact of PACs on parties, competition and political debate. The President believes that PAC contributions to candidates should be eliminated, and he will be consulting with the Congress on this issue. President Bush is also opposed to federal funding of congressional campaigns.
 - Deferral of tax liability when an individual is required by his or her agency to divest assets in order to avoid conflicts of interest.
 - Strengthened rules against abusing the revolving door for private gain at the expense of the public trust. These rules also apply to the legislative branch.
 - A 25 percent pay raise for federal judges was proposed in separate legislation submitted April 12, while the ethics reform legislation restricts their acceptance of honoraria. President Bush believes that honoraria for Members of Congress should be banned; however, the President will not formalize that proposal until after he consults with Congress on that issue and their pay raise. He will include in that discussion the question of a pay increase for certain executive branch positions.
 - The extension of the Independent Counsel statute to cover the Congress.
 - The extension of the federal statute that prohibits employees from taking actions that enhance their own financial interest to cover legislative and judicial branch employees.

- The establishment of an independent ethics office for the Congress, to be headed by a clearly nonpartisan official, confirmed by both houses.
 - The application of the existing one-year post-employment "cooling-off" period for senior executive-branch employees to the legislative and judicial branches.
- o **Whistleblower protection:** The President supports public servants who revere the trust placed in them by the American people. On April 10, the President signed S. 20, the "Whistleblower Protection Act of 1989." This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.
- This new law will enhance the authority of the Office of Special Counsel, and whistleblowers will also now be allowed to take their cases to the Merit Systems Protection Board.
 - The statute alters the legal burdens of proof, making it easier for employees to be vindicated when they are wrongfully penalized by their supervisors for whistleblowing activities.
- o **Civil rights:** The Administration has taken a number of actions to protect the civil rights of all Americans, including several court actions in key civil rights cases.
- On March 8, the Department of Justice endorsed the objectives of the Hate Crimes Bill and voiced no opposition to the bill's enactment. The Hate Crimes Bill provides for the collection of data about crimes motivated by race, religion, ethnicity or sexual orientation.
 - On March 13, Attorney General Thornburgh announced the filing of Federal housing discrimination lawsuits seeking monetary damages and civil penalties under the expanded enforcement authority of the Fair Housing Amendments Act of 1988.

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BUILDING A BETTER AMERICA
APRIL 24, 1989

KEEPING THE ECONOMY STRONG -- WITH NO NEW TAXES

Keeping our nation's economy strong is the key to managing change successfully. The news is good:

- o **Record expansion:** We are now in the 76th month of the current economic expansion.
- o **Job creation:** Nearly 20 million new jobs have been created, and the unemployment rate has declined to 4.9 percent, a 15 year low. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined.
- o **Record income:** Per capita personal income, after taxes and inflation, has risen 17 percent during the expansion; real income of the median family -- the family exactly in the middle of the income distribution -- set a new record in 1987 and continues to grow.
- o **Industrial output:** During this expansion, American industrial output has grown 33 percent compared with overall economic growth of 26 percent. This is double Europe's growth rate in industrial output and even slightly more than Japan's rate of increase during the same period.
- o **Inflation under control:** We have had seven straight years of consumer price inflation under 5 percent. The Administration supports the Federal Reserve's efforts to restrain inflation while maintaining real economic growth. The Administration and the Fed share the goal of ultimately achieving price stability -- zero inflation.

ACTION BY THE ADMINISTRATION:

- o **Presenting a budget:** The President put forth a budget which addresses our fundamental obligations for protection of national security and support of the needy, while providing sufficient funds to advance high-priority initiatives. The President's budget restrains overall growth of spending and meets the Gramm-Rudman-Hollings targets -- with no new taxes.
- o **Reaching a budget agreement with Congress:** The President and Congress announced on April 14 a budget plan to reduce the estimated FY 1990 deficit by about \$64 billion below FY 1989. The deficit will be reduced to \$99.4 billion, as required by the Gramm-Rudman-Hollings law. **This is the**

first budget agreement reached before the start of the budget year and not framed in the context of crisis.

- o **Savings and Loan reform:** The Administration has transmitted the "Financial Institutions Reform, Recovery and Enforcement Act of 1989" to Congress, which has already cleared the Senate. The proposal includes provisions to:
 - Assure financial integrity of deposit insurance by raising the annual premium rate for both commercial banks and S&Ls.
 - Resolve the status of existing insolvent banks in an orderly fashion.
 - Improve supervisory control by bringing S&Ls up to the same standards applied to commercial banks.
 - Enhance enforcement of bank fraud provisions.
- o **Capital gains tax rate cut:** The re-establishment of a capital gains differential will encourage capital formation, and investment and stimulate job creation. The President has sent to the Congress a proposal which includes:
 - A 45 percent capital gains exclusion for qualified capital gains, making the maximum capital gains tax rate 15 percent.
 - A phased-in increase in the qualifying holding period from one year to three years.
 - Families earning under \$20,000 would be exempted from the tax.
- o **Minimum wage proposal:** The President is seeking to minimize the adverse economic impact of an across-the-board increase in the minimum wage, and to keep job opportunities available for youth and those seeking to enter the economic mainstream. His proposal is:
 - A 27 percent increase in the minimum wage over three years to \$4.25 for most workers.
 - Maintaining the current \$3.35 minimum for all new employees of a firm on the job for less than six months, regardless of age or previous employment.
 - An increase in the small business exemption to include all firms, not just retail and service establishments, with gross sales under \$500,000.
 - An increase in the tip credit from 40 percent to 50 percent.

The President's pledge to veto an excessive increase in the minimum wage has gained strong support in both Houses of Congress.
- o **International Trade:** The Administration broke a logjam in international trade talks which had existed since late 1988. In breaking the stalemate, the United States advanced its proposal to correct and prevent trade distortions in agriculture. This clears the way for negotiations that -- if

successful over the next 20 months -- will greatly expand rules governing free and open trade.

o **Agricultural initiatives:**

- The announcement of additional advance deficiency payments of 10 percent available to producers of wheat, feed grains, rice and upland cotton.
- The establishment of a top-level Working Group on Rural Development to focus on an action-oriented agenda.

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

The Administration's policy of peace through strength is working. As he prepares for both the 40th Anniversary of NATO in Brussels and the economic summit in Paris, President Bush has undertaken a number of foreign policy initiatives to maintain America's position of world leadership.

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

FIGHTING DRUGS AND CRIME

With the confirmation of Bill Bennett as Director of National Drug Control Policy, and the trip by Attorney General Thornburgh to South America to meet with local leaders with regard to joint eradication and interdiction efforts, we have begun a new war on drugs in this country. The President believes a four-pronged approach is key: education, rehabilitation, interdiction and enforcement. The policy of this Administration is "zero tolerance." No amount of illegal drug use is acceptable. This means dealing with both supply and demand.

ACTION BY THE ADMINISTRATION:

- o **Budget:** The Administration is requesting \$6 billion in funding for FY 1990 to fight the drug war, increasing outlays by nearly \$1 billion for drug education, treatment and enforcement.
- o **Education:** The Administration is requesting nearly \$1.1 billion for education and prevention efforts. This is a 16 percent increase over 1989, and includes funding for ongoing programs and new initiatives.
- o **Rehabilitation:** Funding for drug abuse treatment will be increased 18 percent. The Administration is proposing over \$700 million to expand the nation's capacity to provide treatment, particularly to the indigent, disadvantaged, youth, and expectant mothers.
- o **Interdiction and enforcement:** The Administration is proposing over \$4.1 billion for law enforcement programs in 1990, a 10 percent increase over 1989. This constitutes about 70 percent of President Bush's proposed drug budget. Substantial increases are requested in funding to strengthen inspection, interdiction, intelligence efforts and crop

eradication programs, such as Operation Polar Cap, a federally led effort which broke up a \$1.2 billion drug money-laundering operation. The President strongly supports the death penalty for drug kingpins who commit drug-related murders, and will appoint judges who will strongly enforce the drug penalty laws.

- o The Administration imposed a **temporary suspension** of imports of certain types of **semi-automatic weapons**, and has undertaken an emergency study to identify the best means of reducing drug-related killings and other violent crime.
- o **Public housing:** The Bush Administration is working to make public housing drug free, to protect the rights of the vast majority of decent, law-abiding public housing residents. The Department of Housing and Urban Development has acted:
 - To modify its lease and grievance procedures to facilitate eviction of those involved in drug related criminal activity;
 - To make drug use and trafficking a lease violation subject to eviction proceedings;
 - To target federal assistance to anti-drug security measures;
 - To revoke federal housing subsidies from those dealing in drugs;
 - To involve the private and voluntary sectors in efforts to rid public housing of drugs and give residents, especially young people, a stake in their communities and their futures.
- o In addition, the Office of National Drug Control Policy has responded to the drug emergency in the District of Columbia:
 - **A Metropolitan Area Task Force will be expanded**, with 57 additional representatives from federal agencies, and state and local police from D.C., Maryland and Virginia.
 - **More prisons:** The federal Bureau of Prisons will take custody of 250 inmates from the D.C. jail, and work to locate land for construction of a new prison.
 - **Enforcement:** The FBI will provide support to D.C. police in investigations of drug-related murders.
 - **Rehabilitation:** The National Institute on Drug Abuse will provide assistance in local treatment efforts and will be authorized to establish three new outpatient clinics by 1990.
 - **Prevention:** The Department of Education will provide the District with 50 percent more funds for drug prevention programs in city schools. The Department of Labor will work with the business community to increase job training for youth, and will provide a \$100,000 grant to establish employee assistance programs for drug abuse.

WORKING FOR A KINDER, GENTLER AMERICA

CHILD CARE

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

ACTION BY THE ADMINISTRATION:

- o **Child care:** The President has proposed a child care package, the "Working Family Child Care Assistance Act of 1989" which:
 - Provides a new refundable child care tax credit of up to \$1000 per child under four, for low and moderate income working families.
 - Makes the existing Child and Dependent Care Tax Credit refundable.
 - Does not discriminate against religious- and family-based child care.
- o The President has directed Secretary of Labor Dole to study the market for liability insurance to determine if liability issues impair child care.
- o **Head Start:** The President has also transmitted legislation to the Congress which would increase the FY 1990 authorization for Head Start by \$250 million; this will pay for enrollment of up to 95,000 more four-year-olds in the program.

NATIONAL SERVICE

President Bush has said that "From now on in America, any definition of a successful life must include serving others."

ACTION BY THE ADMINISTRATION:

- o **Office of National Service:** The President established in the White House the Office of National Service to lead the Administration's national service movement. This Office will identify effective community service models and encourage others to duplicate them across the country. It will challenge individuals, schools, businesses, civic and service groups, religious institutions and other entities to expand existing community service programs and to create new ones. The goal of this Office is to make service to others a central part of every American's life, and in so doing, to help to ameliorate the urgent ills which fray the fabric of American society. The Office will recommend changes in national social and economic policy to promote and encourage

service, including tort law reform, welfare law reform and housing, to name a few.

- o **Presidential Proclamation:** In signing the proclamation commemorating National Volunteer Week, April 9-15, the President challenged every American who cares about the future of this country to engage in some meaningful form of community service. He awarded 18 Presidential Awards to those chosen from nearly 2000 applications -- to winners who embody the ideals of goodness, compassion and concern for others.

WELFARE REFORM

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

ACTION BY THE ADMINISTRATION:

- o **Welfare reform:** The Administration issued proposed rules on April 18 to implement the major provisions of the Family Support Act of 1988. The proposed rules are designed to:
 - Target job training assistance to those who are most likely to benefit and who are most at risk for long-term welfare dependency.
 - Provide maximum level of flexibility to AFDC parents in obtaining the type of child care that best suits their needs, consistent with the Administration's legislative proposals on child care.
- o **JOBS Program:** The Administration is proposing to spend \$3.3 billion over the next five years implementing the JOBS program. The changes will pay benefits in the future by reducing the number of individuals on welfare. It is estimated that 138,000 families will be able to leave welfare rolls over the next five years as a result of this program.

EXPANSION OF MEDICAID

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

ACTION BY THE ADMINISTRATION:

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

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

- Increase by 374,000 the number of pregnant women and children eligible for Medicaid.
- Foster greater participation in Medicaid by eligible pregnant women by providing services to pregnant women who are presumed eligible for Medicaid before a formal eligibility determination is made; and by requiring States to operate outreach programs in areas of high infant mortality.
- Entitle all children under age 6 who are receiving Food Stamps to Medicaid coverage for immunizations.
- Make the Federal match rate for State administration expenses a uniform 50 percent by gradually reducing special administrative match rates ranging from 75 to 100 percent. The savings that would result would allow the legislative eligibility changes proposed by the President to be implemented within the current program's spending level.

HOUSING/HOMELESSNESS

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

ACTION BY THE ADMINISTRATION:

- o **Homelessness:** A proposal to provide over \$1 billion in federal resources to help end homelessness and pave the way to jobs, permanent housing, health care and human dignity. President Bush's proposal calls for fully funding the McKinney Homeless Assistance Act and for a new \$50 million matching grant program to promote public/private partnerships to assist homeless families and the mentally ill.
- o **Enterprise zones:** A call for enactment of enterprise zone legislation, to give urban and rural areas the opportunity for jobs and hope for the future. President Bush asked Congress to enact labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities.
- o **Affordable housing:** A commitment to making housing more affordable for low-income families, and to provide homeownership opportunities to the poor and young families just starting out. President Bush proposes to assist 109,000 new families in need of low-income housing, and has pledged to maintain assistance to those families already being helped. President Bush has also signalled his commitment to empowering poor residents of public housing to become homeowners through resident management and ownership of public housing.

ETHICS AND CIVIL RIGHTS

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

ACTION BY THE ADMINISTRATION:

- o **Ethics:** The President issued an Executive Order creating the President's Commission on Federal Ethics Law Reform. On March 9, the Commission filed its report and its recommendations to the President. Legislation was sent April 12th to the Congress, and the President issued an Executive Order announcing ethical principles for the conduct of executive branch employees. The President's proposals include:
 - A ban on outside earned income for non-career Presidential appointees in the executive branch, including all employees in the immediate White House Office.
 - Expanded financial disclosure for all three branches of government.
 - Prohibition of the conversion of political contributions for personal or office use.
 - A comprehensive review of federal campaign finance laws, including an assessment of the impact of PACs on parties, competition and political debate. The President believes that PAC contributions to candidates should be eliminated, and he will be consulting with the Congress on this issue. President Bush is also opposed to federal funding of congressional campaigns.
 - Deferral of tax liability when an individual is required by his or her agency to divest assets in order to avoid conflicts of interest.
 - Strengthened rules against abusing the revolving door for private gain at the expense of the public trust. These rules also apply to the legislative branch.
 - A 25 percent pay raise for federal judges was proposed in separate legislation submitted April 12, while the ethics reform legislation restricts their acceptance of honoraria. President Bush believes that honoraria for Members of Congress should be banned; however, the President will not formalize that proposal until after he consults with Congress on that issue and their pay raise. He will include in that discussion the question of a pay increase for certain executive branch positions.
 - The extension of the Independent Counsel statute to cover the Congress.
 - The extension of the federal statute that prohibits employees from taking actions that enhance their own financial interest to cover legislative and judicial branch employees.

- The establishment of an independent ethics office for the Congress, to be headed by a clearly nonpartisan official, confirmed by both houses.
 - The application of the existing one-year post-employment "cooling-off" period for senior executive-branch employees to the legislative and judicial branches.
- o **Whistleblower protection:** The President supports public servants who revere the trust placed in them by the American people. On April 10, the President signed S. 20, the "Whistleblower Protection Act of 1989." This law will strengthen the protections and procedural rights available to those federal employees who report misdeeds and mismanagement.
- This new law will enhance the authority of the Office of Special Counsel, and whistleblowers will also now be allowed to take their cases to the Merit Systems Protection Board.
 - The statute alters the legal burdens of proof, making it easier for employees to be vindicated when they are wrongfully penalized by their supervisors for whistleblowing activities.
- o **Civil rights:** The Administration has taken a number of actions to protect the civil rights of all Americans, including several court actions in key civil rights cases.
- On March 8, the Department of Justice endorsed the objectives of the Hate Crimes Bill and voiced no opposition to the bill's enactment. The Hate Crimes Bill provides for the collection of data about crimes motivated by race, religion, ethnicity or sexual orientation.
 - On March 13, Attorney General Thornburgh announced the filing of Federal housing discrimination lawsuits seeking monetary damages and civil penalties under the expanded enforcement authority of the Fair Housing Amendments Act of 1988.

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