

Originally Processed With FOIA(s):

FOIA Number:

S

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.**

---

**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Grant, Mary Kate, Files  
**Subseries:** Subject File, 1988-1991

---

**OA/ID Number:** 13878  
**Folder ID Number:** 13878-003

---

**Folder Title:**  
Bush Agenda-Address to Congress, 2/9/89

---

Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>19</b>	<b>2</b>	<b>7</b>	<b>3</b>

---

# Withdrawal/Redaction Sheet

## (George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Report	Re: Proposed Communications Plan for Presidential Address. (4 pp.)	n.d.	<del>P-5</del>	

**Collection:**

**Record Group:** Bush Presidential Records  
**Office:** Speechwriting, White House Office of  
**Series:** Grant, Mary Kate  
**Subseries:** Subject File  
**WHORM Cat.:**  
**File Location:** Bush Agenda - Address to Congress 2/9/89

**Open on Expiration of PRA**  
**(Document Follows)**  
 By SPJ (NLGB) on 4/5/2005

<b>Date Closed:</b> 12/17/2004	<b>OA/ID Number:</b> 04423
<b>FOIA/SYS Case #:</b> S	<b>Appeal Case #:</b>
<b>Re-review Case #:</b> 2005-0482-S	<b>Appeal Disposition:</b>
<b>P-2/P-5 Review Case #:</b>	<b>Disposition Date:</b>
<b>AR Case #:</b>	<b>MR Case #:</b>
<b>AR Disposition:</b>	<b>MR Disposition:</b>
<b>AR Disposition Date:</b>	<b>MR Disposition Date:</b>

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

THE WHITE HOUSE

WASHINGTON

PROPOSED COMMUNICATIONS PLAN FOR THE PRESIDENT'S  
ADDRESS TO A JOINT SESSION OF THE CONGRESS  
THURSDAY, FEBRUARY 9, 1989

I. Strategy

The address to the joint session of Congress is the President's first opportunity to place his mark on the budget process and the priorities for the Nation. The communications plan should focus on ensuring that the President's message is not just "communicated" but, through aggressive outreach, is understood by the media, the public and constituency groups.

As the first major initiative of the Bush Administration, it is also important that the efforts involved - communications, policy, political, press etc. - be perceived as first rate and professionally handled.

II. Media

Several avenues will be employed to provide the media with information both prior to the speech and following. This includes briefings, materials distribution, interviews, and mailings.

Time line:

7:00 pm  
(Thursday)

Darman briefs media (30 minutes)

Briefing book released to media upon arrival

Embargoed speech text?

7:00 am  
(Friday)

Interviews on morning shows\*

By cob  
(Friday)

Targetted mailings to specialty and selected media tentatively including:

editorial page editors  
financial writers

black media  
environmental media  
business media  
women's media  
education media

(lists may be added or deleted depending on the final content of the speech)

\*See attached list

### III. Constituency Groups Outreach

We recommend a series of short constituency group briefings to accomplish two goals:

A. to ensure that those individuals most likely to be contacted by the media for comment will be fully briefed on the details of the President's overall proposal as well as the the specific initiatives in their particular areas.

B. to use the address as a means to outreach and establish a working relationship with a larger number of people in individual issue areas.

An individual group or cabinet agency would be contacted for each issue area to serve as defacto "sponsors" of the briefing. They would be responsible for providing the location and inviting the attendees. We would provide a speaker and materials for the briefing which would take place at 7:00 pm, Thursday, as the the press briefing is occurring. Length: 30 minutes.

The following is a tentative list of briefings and speakers:

Education	Cavazos
Drugs	Thornberg(T)
Homeless	Kemp
Child Care	Dole
Balanced budget/ U.S. Chamber	Porter
Conservatives	Cogan
Environment	Reilly/Lujan
RNC political	Pinkerton
Black colleges	Sullivan*

David Bates' office would handle the action on Agency briefings. The Office of Public Liaison would handle the U.S. Chamber and Conservatives. The Office of Political Liaison would handle the RNC.

\* This would not be a briefing. Dr. Sullivan would be given background information earlier in the day and his transition

staff would brief key members of the Black college communitiy on the initiative.

A question remains on the briefing of Members of Congress in advance. Providing a pre-speech briefing in the afternoon almost guarantees portions of the speech on the network news that evening. A decision on implementing a Congressional briefing needs discussion.

#### IV. Internal activities

A. The Cabinet will be briefed at 1:30 pm, Thursday.

A decision on what materials to provide the Cabinet remains as well as the action on producing them.

B. An advocacy factsheet is being produced by a Darman/Porter working group. This factsheet and any additional talking points should be provided to departmental public affairs heads in advance of the speech either directly or through the appropriate Cabinet member.

They will be asked to get the specifics of their individual programs out to their constituency or media lists.

#### V. Overall time line and action

##### Wednesday 2/8

COB	Speech process	Grady, Cicconi, Demarest
12:00 noon Pinkerton	Fact sheet	Darman, Porter,

##### Thursday 2/9

12:00 noon	Speech in final form	Grady, Cicconi, Demarest
1:30 pm	Cabinet briefing	Bates
3:00 pm	Materials to public affairs heads	Demarest
5:00 pm	Speech in booklet form for Hill dist.	Newman
7:00 pm	Darman press brief.	Fitzwater

7:00 pm	Constituency group briefings	Bates/Demarest
9:00 pm	Address to a Joint Session	
post speech	Questions	Fitzwater
Friday 2/9		
AM	Morning shows	Fitzwater
COB	Targetted media mailings	Demarest
Weekend		
Saturday/ Sunday	Interview shows	Fitzwater

THE WHITE HOUSE,  
WASHINGTON

February 10, 1988

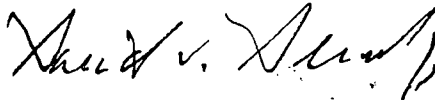
Dear member of the media:

In his address to Congress last night, the President set the agenda for 1989 and the next four years. He framed the national debate on how to keep the economy growing and live within our means, while still addressing the most pressing problems facing the nation. The President's approach gave the American people what they voted for -- no tax increases, a "kinder, gentler nation," a strong defense and deficit reduction.

Enclosed please find the text of the President's address to the Joint Session of Congress, as well as a fact sheet on the priorities he has set for the nation.

I hope this is useful to you.

Sincerely,



David Demarest  
Assistant to the President  
for Communications

enclosures

THE WHITE HOUSE

Office of the Press Secretary

---

EMBARGOED FOR RELEASE  
AT 9:00 PM (EST)  
THURSDAY, FEBRUARY 9, 1989

**PRESIDENT BUSH'S AGENDA: BUILDING A BETTER AMERICA**

FACT SHEET

Less than three weeks into his Presidency, President Bush addressed a Joint Session of the Congress and outlined a comprehensive agenda for building a better America. The President's Message is accompanied by a supplementary discussion of plans and proposals entitled Building a Better America. Together, the Message and the 193-page supplement describe the President's priorities and approach.

The President outlined a realistic plan that establishes clear priorities and meets the Gramm-Rudman-Hollings budget targets, without raising taxes. While dealing with problems from the past (the Savings and Loan crisis and nuclear clean-up), and meeting tight fiscal constraints, the President's priorities nonetheless focus attention on investing in America's future.

The President's agenda has six basic parts -- each of which is summarized below:

1. Restoring Fiscal Balance
2. Advancing Priorities for Growth and Competitiveness
3. Ending the Scourge of Drugs
4. Making a Kinder and Gentler Nation
5. Managing America's Government Better
6. Securing a More Peaceful World

In seeking to advance his agenda, the President again extended his hand to the Congress in a cooperative bipartisan spirit. He repeated his observation that "the people did not send us here to bicker," emphasizing that Americans want to see their elected leaders produce. To this end, he offered to have members of his Administration negotiate in good faith -- day and night if that is what it takes -- in order to reach bipartisan agreement with the Congress.

MORE

I. RESTORING FISCAL BALANCE

A. Ordering Budget Priorities

The President's budget plan adopts a common-sense approach to budgeting. It no longer measures changes against the Wonderland concept of "current services baseline" but rather from this year to next year. In this approach the starting point is the large revenue growth expected in FY 1990 over 1989 -- almost \$82 billion. This growth is then allocated to a reduction of the deficit by 40 percent, required increases in such areas as interest on the national debt, and to the President's priorities and initiatives.

B. Budget Process Reforms

The President's budget process reform proposals include:

- o A Balanced Budget Constitutional Amendment, to end the chronic affliction of spending that exceeds revenues and to assure future fiscal responsibility.
- o A Line Item Veto, a tool possessed by 43 state governors, to help the President control spending.
- o Enhanced rescission authority that would require an up-or-down vote by Congress on Presidential rescission proposals.
- o Biennial Budgeting, to make the budget process easier and more efficient and encourage longer term policy development by the President and Congress.
- o Enactment of Individual Appropriations bills, to avoid crisis-born, thousand-page omnibus "continuing resolutions."
- o A Joint Budget Resolution, requiring approval of the President, to guarantee early negotiations and make it more likely that the resolution would ultimately be reflected in law.
- o Enforcement of the Budget Resolution as a guideline for legislative action, ending differing policy interpretations.
- o Credit Reform, to identify the true subsidy cost of direct and guaranteed loan programs.

- o Heightened Attention to Capital Expenditures without changing the measurement of a budget surplus or deficit.
- o Longer Horizons, to assure that major budget problems such as FSLIC insolvency are anticipated.

## II. ADVANCING PRIORITIES FOR GROWTH AND COMPETITIVENESS

### A. Investing in R&D and Long Term Productive Capacity

The President's initiatives to assure the continued economic health of future generations include:

- o Encouraging Long-Term Investment by reducing the capital gains tax rate to a maximum of 15 percent for long-held assets and eliminating capital gains taxes for taxpayers with adjusted gross incomes below \$20,000 a year.
- o Elevating Science and Technology in national policy-making by making the White House Science Advisor an Assistant to the President, reporting directly to the President.
- o Enhancing the Federal investment in basic research by increasing research programs of the National Science Foundation and the Department of Energy by \$360 million.
- o Maintaining America's leadership in space. The President proposes a 22 percent increase in funding for the National Aeronautics and Space Administration, providing for the continued development of Space Station Freedom and a build-up of the flight rate of the space shuttle. Viable commercial space initiatives are also encouraged.
- o Making the Research & Experimentation (R&E) tax credit permanent and improving R&E expense allocation rules to encourage continued growth of private domestic research and experimentation.

- o Stimulating Domestic Oil and Gas Production and reducing dependence on foreign oil by:
  - providing tax incentives for exploratory drilling costs; and
  - urging decontrol of natural gas.
- o Constructing the Super Conducting Supercollider which will be used by research scientists around the world and will assure our technological leadership in high-energy physics.
- o Expanding Biomedical Research. The President will propose a seven percent increase in funding for basic research and will encourage new partnerships with industry for applied research.
- o Promoting International Competitiveness. The President will create a Council on Competitiveness to be chaired by the Vice President.
- o Improving Opportunities for Disabled Americans. The President will establish a policy working group of senior Administration officials to recommend changes needed to promote self-sufficiency and to rationalize services across government programs.

B. Investing in People: Education

Educational achievement of our Nation's children is a major determinant of future productivity and our competitive position in the world. The President will help to reward success through public recognition and financial rewards for those schools, students and teachers who have excelled. The President's initiatives include:

- o Rewarding Successful Schools whose students demonstrate substantial progress with a new program starting at \$250 million and rising to \$500 million. The awards can be used by the winning schools for any educational purpose.
- o Recognizing Superior Teachers across the country with public recognition and cash awards to provide incentives for excellence and to demonstrate that highly motivated educators will not go unnoticed.

- o Establishing a National Science Scholars Program to foster a greater commitment to science and mathematics education. Scholarships and opportunities for hands-on experience in federal research laboratories will be provided to top high school students across the country.
  - o Creating a new \$100 million addition to the magnet schools program to encourage curriculum innovation and provide better opportunities for motivated students.
  - o Helping states develop alternative certification systems to remove unnecessary barriers so that talented and motivated people can become teachers or principals.
  - o Providing additional Federal funds to increase support for experimentation and innovation in the schools and to assure timely distribution of knowledge about what works in education.
  - o Providing \$60 million over four years in new Federal matching grants for Historically Black Colleges and Universities to create incentives for increased endowments, to assure continued progress of these important institutions.
  - o Assuring proper accountability in Federal education programs to provide for the best use of tax dollars and the achievement of educational goals.
- C. Expanding Economic Opportunities: Enterprise Zones
- o Create Enterprise Zones to expand economic opportunity for economically distressed areas, using tax incentives and regulatory relief to stimulate growth.

### III. ENDING THE SCOURGE OF DRUGS

The President believes in zero tolerance of illegal drug use. No amount of illegal drug use is acceptable to the President. Action on multiple fronts is needed. The President is requesting \$6 billion in FY 1990 to fight drugs, including nearly \$1 billion in new outlays for drug education,

treatment, and enforcement, and will support stiffer drug penalties. The Director of National Drug Control Policy will develop a national drug control strategy.

A. Educating the Young: Drug Prevention

- o Funding for the Drug-Free Schools and Communities Act will be increased.
- o A new \$25 million Emergency Urban Grants program is created for the special needs of those urban school systems with the worst drug problems.
- o A new \$35 million community partnership grant program will also be added to stimulate more community involvement in drug prevention activities.

B. Reclaiming Lives with Improved Drug Treatment

- o Funding for drug abuse treatment will be increased 18 percent, including new grants to reduce the waiting periods for admittance into drug treatment programs.
- o A grant program will be created to assist areas of the country identified as having the greatest need for more treatment for the indigent, disadvantaged, youth and expectant mothers.

C. Going to the Source: Drug Law Enforcement

- o Substantial funding increases are requested for the Drug Enforcement Agency, the Customs Service, the State Department's Bureau of International Narcotics Matters, and the drug interdiction budget of the Coast Guard, to strengthen inspection, interdiction, intelligence efforts and crop eradication programs.
- o The Justice Department will receive funding for grants for local law enforcement agencies and for additional U.S. Attorney prosecutorial staff, as well as for FBI investigations and local law enforcement training.

D. Strengthening Our Laws: Drug Penalties

- o The President will call for strict application of the tough new penalties in the Anti-Drug Abuse Act of 1988.
- o Drug offenders will be a top prosecuting priority of U.S. Attorneys.

#### IV. MAKING A KINDER, GENTLER NATION

##### A. Protecting the Environment

The President proposes a nine-part program to protect the environment.

- o Strengthening Our Commitment to Cleaner Air: The President will propose legislation to reauthorize the Clean Air Act, ensuring progress toward meeting air quality standards in the Nation's major cities. The President will ask Congress to establish an acid rain program that will obtain significant SO<sub>2</sub> and NO<sub>x</sub> emission reductions, balancing competing interests, by specified dates. The President will work to achieve the worldwide ratification of the historic Montreal Protocol.
- o Preserving and Expanding Recreation Lands: America's parks and open spaces are national treasures. The President proposes \$200 million for new land acquisitions through the Land and Water Conservation Fund, reversing the policy in the January budget of essentially no new acquisitions.
- o Developing Offshore Oil and Gas While Protecting the Environment: The President believes that oil and gas development is necessary; however, drilling will be permitted only in an environmentally sound manner. The President will delay leasing in three sensitive areas pending resolution of environmental concerns by a task force he will establish.
- o Speeding Hazardous Waste Cleanup: A reinvigorated Superfund program is the key to resolving the Nation's hazardous waste problems. Polluters unwilling to clean up their wastes will pay triple damages; cost recovery cases will be pursued sooner to end the incentive for delay; and EPA will use its emergency cleanup authority more often.
- o Fighting Ocean Pollution: The President is committed to end ocean dumping by the end of 1991, and EPA will issue no new permits for ocean dumping of sludge or industrial waste. The FBI and EPA will be instructed to prosecute illegal dumpers of medical waste and new penalties against medical waste dumpers will be sought.
- o Preserving Our Wetlands: The national goal will be no net loss of wetlands. An interagency task force will be established to ensure that all agencies involved in wetlands preservation work toward that goal, and there will be firmer enforcement of present laws aimed at saving wetlands.

MORE

- o Enhancing Water Quality: The President proposes an increase in funding of \$64 million for coordinated Federal water quality programs in four agencies. Farmers will be aided in their efforts to avoid groundwater contamination from pesticides and fertilizers.
- o Reducing the Growing Volume of Waste: The President is committed to exceeding EPA's current goal of 25 percent reduction in waste. This is primarily a local problem, but Federal assistance will be expanded, including developing a database on successful waste reduction and recycling techniques.
- o Fostering International Cooperation on the Environment: President Bush will promote international cooperation on environmental issues, including global warming, preservation of the oceans, and the loss of tropical rain forests.

B. Combatting Homelessness

- o The President is committed to addressing forcefully -- through public and private action -- the tragedy of men, women, and children living without homes. The President's budget fulfills his pledge to fully fund the McKinney Act at \$746 million in FY 1990, and over-all funding directed at homelessness will increase 70 percent to \$1 billion.
- o Beyond McKinney, an incremental \$50 million will be requested for a new matching grant program, in partnership with state and local agencies and not-for-profit and volunteer organizations. This program will address many facets of homelessness, encouraging and supporting the most promising local solutions for the problem.

C. Enhancing Parental Choice in Child Care

The President proposes a four-part initiative, a key element of which is to preserve the incentive for parents to make their own decisions about what sort of care is best for their children. The cost of the initiative in 1990 is \$330 million, rising to more than \$2.5 billion by 1993.

- o Enhancing Parental Choice in Child Care: The President proposes a new, refundable tax credit of up to \$1000 for each child under four in low-income families, allowing families to select from a wide range of child care options the arrangement that best suits their needs.

- o Making the Existing Dependent Care Credit Refundable: For lower income families that do not pay tax, the present credit is of no value. Under the proposal it would be made refundable.
- o Expanding Head Start: A \$250 million increase in the Head Start program will allow up to 95,000 additional four year-olds to get a better start in life.
- o Examining Barriers to Liability Insurance: The difficulty encountered by employers in obtaining liability insurance may prevent them from providing on-site child care. The President has directed the Secretary of Labor to determine what obstacles stand in the way of purchasing such insurance, and report back to him by the end of this year.

D. Increasing Adoption

The President proposes to facilitate adoption by restoring the tax deduction for unreimbursed one-time costs of adopting special needs children and doubling it to \$3,000. A reduction in the January budget for the Adolescent Family Life Program is withdrawn, and there is increased funding for several adoption-related programs.

E. Involving Youth in Service: YES to America

The President is convinced that increasing the involvement of young Americans in voluntary programs will not only reduce many national problems but will also instill a life-long spirit of service. He will propose legislation and funding for the establishment of the YES to America Foundation.

F. Responding to HIV/AIDS

Solving the problem of AIDS is the highest public health priority of the Bush Administration. The President proposes an increase of \$313 million in AIDS funding in 1990, devoting more money than ever before for research, education, testing, and counselling.

G. Improving Medicaid for Pregnant Women, Infants, and Children

The President is committed to improving health care for lower-income Americans by focusing first on those most at risk: pregnant women and their children. To accomplish this, the Administration is proposing to further expand eligibility for Medicaid beyond expansions recently enacted. The proposal for Medicaid savings in the January budget is withdrawn.

H. Protecting Social Insurance and Providing for Those in Need

Social Security will be fully funded, with an estimated 3.6 percent Cost of Living Adjustment in January 1990. Other social insurance benefit programs, such as Unemployment Compensation and Veterans Service-connected Compensation, are also fully funded. No cuts are proposed in means-tested entitlement programs.

V. MANAGING AMERICA'S GOVERNMENT BETTER

A. Providing for National Security While Increasing Efficiency

The President proposes to freeze defense budget authority for one year in real terms, followed by a resumption of real growth of one percent in 1991 and 1992 and two percent in 1993. The President will accept the freeze in 1990 only on condition that the savings be allocated to his priority initiatives, and that the defense spending level be part of a comprehensive budget agreement that meets the Gramm-Rudman-Hollings targets without a tax increase and includes budget process reforms.

The President has ordered a review by the National Security Council of defense policies and strategies, and has charged the Secretary of Defense with improving the defense procurement process. The President has also asked the Congress to do its share by streamlining its own procedures of oversight and budgeting for defense.

B. Attending to Problems from the Past

- o Reforming the S & L Sector. A comprehensive plan for dealing with insolvencies in the thrift industry was announced February 6. It involves a mix of industry and taxpayer funds but will not result in greater net budget outlays than contemplated in the January budget, except in FY 1989. The total cost to the taxpayer over ten years is estimated at \$39.9 billion.
- o Protecting Safety and Environment While Modernizing Nuclear Weapons Plants. The President proposes an increase of \$1.1 billion in budget authority in FY 1990 for nuclear safety, environmental cleanup and modernization, 42 percent above 1989. Outlays would rise \$700 million.
- o Ensuring Excellence and Safety in Aviation. Budget authority for the FAA will increase by almost \$1.2 billion in 1990, providing for hiring more air traffic controllers and a 41 percent increase in the program of modernization of the air traffic control system.

C. Transferring Assets to the Private Sector

The Administration intends to transfer to the private sector activities of government that can be best performed there. These include the naval petroleum reserves, helium processing facilities and the assets of two of the seven electric power marketing administrations. In addition, there will be sales of oil and gas leases on the outer continental shelf and in the Arctic National Wildlife Refuge. Three lease areas on the outer continental shelf off California and Florida are withdrawn from proposed sale pending further assessment of potential environmental damage.

VI. SECURING A MORE PEACEFUL WORLD

- o The President is committed to building ever-stronger partnerships with United States allies and friends, who are our first priority.
- o As the result of Western strength and solidarity, we enjoy the prospect of more constructive relations with the East. The President is ready to work with the Soviet Union in many areas, to build on previous significant progress. The agenda for the future includes addressing regional conflicts, arms reduction, human rights and bilateral exchanges, as well as many new transnational challenges, including terrorism, narcotics and the global environment.
- o There is a new appreciation of the benefits of economic freedom -- in developed countries, in developing countries and even in the Communist world. It is increasingly realized that free markets and private initiative are the engine of prosperity and growth. American policies will build upon this awareness and the profound changes it is likely to bring in much of the world.
- o The President and Secretary of State are pledged to consult and collaborate with Congress as appropriate. History shows that foreign policies succeed when there is a spirit of bipartisanship and cooperation.
- o The President has instructed the National Security Council to review the range of foreign policy and national security challenges facing the nation. The NSC will recommend to the President within 90 days options for United States policy.

BUSH BUDGET SUMMARY  
RECEIPTS, OUTLAYS, AND DEFICITS  
(In billions of dollars)

	1989	1990	1991	1992	1993
Receipts .....	979.3	1,065.6	1,147.6	1,218.6	1,286.6
Outlays, excluding asset sales .....	1,149.5	1,160.4	1,211.8	1,249.2	1,284.1
Deficit, excluding asset sales .....	170.2	94.8	64.2	30.6	-2.5
G-R-H targets .....	136.0	100.0	64.0	28.0	0.0
Deficit, including asset sales .....	163.3	91.1	61.9	26.8	-3.8

# # #

THE WHITE HOUSE

Office of the Press Secretary

---

EMBARGOED FOR RELEASE  
UNTIL 9:00 PM EST  
THURSDAY, FEBRUARY 9, 1989

TEXT OF ADDRESS BY THE PRESIDENT  
TO THE JOINT SESSION OF CONGRESS

The Capitol  
Washington, D. C.

February 9, 1989

Less than three weeks ago, I joined you on the West Front of this very building and -- looking over the monuments to our proud past -- offered you my hand in filling the next page of American history with a story of extended prosperity and continued peace. Tonight, I am back, to offer you my plans as well. The hand remains extended, the sleeves are rolled up, America is waiting, and now we must produce. Together, we can build a better America.

It is comforting to return to this historic Chamber. Here, 22 years ago, I first raised my hand to be sworn into public life. So tonight, I feel as if I am returning home to friends. And I intend, in the months and years to come, to give you what friends deserve: frankness, respect, and my best judgment about ways to improve America's future.

In return, I ask for an honest commitment to our common mission of progress. If we seize the opportunities on the road before us, there will be praise enough for all. The people didn't send us here to bicker. It's time to govern.

Many Presidents have come to this Chamber in times of great crisis. War. Depression. Loss of national spirit.

Eight years ago, I sat in that chair as President Reagan spoke of punishing inflation and devastatingly high interest rates, people out of work, American confidence on the wane. Our challenge is different.

We are fortunate -- a much changed landscape lies before us tonight. So I don't propose to reverse direction. We are headed the right way. But we cannot rest. We are a people whose energy and drive have fueled our rise to greatness. We are a forward-looking Nation -- generous, yes, but ambitious as well -- not for ourselves, but for the world. Complacency is not in our character -- not before, not now, not ever.

So tonight, we must take a strong America -- and make it even better. We must address some very real problems. We must establish some very clear priorities. And we must make a very substantial cut in the Federal budget deficit.

Some people find that agenda impossible. But I am presenting to you tonight a realistic plan for tackling it. My plan has four broad features: attention to urgent priorities, investment in the future, an attack on the deficit, and no new taxes.

This budget represents my best judgment of how we can address our priorities, consistent with the people's view. There are many areas in which we would all like to spend more than I propose, but we cannot until we get our fiscal house in order.

more

Next year alone, thanks to economic growth, without any change in the law, the Federal Government will take in over \$80 billion dollars more than it does this year. That's right -- over \$80 billion in new revenues, with no increase in taxes. Our job is to allocate those new resources wisely.

We can afford to increase spending -- by a modest amount, but enough to invest in key priorities and still cut the deficit by almost 40 percent in one year. That will allow us to meet the targets set forth in the Gramm-Rudman-Hollings law.

But to do that, we must recognize that growth above inflation in Federal programs is not preordained, that not all spending initiatives were designed to be immortal.

I make this pledge tonight: My team and I are ready to work with the Congress, to form a special leadership group, to negotiate in good faith, to work day and night -- if that's what it takes -- to meet the budget targets, and to produce a budget on time.

We cannot settle for business as usual. Government by Continuing Resolution -- or Government by crisis -- will not do.

I ask the Congress tonight to approve several measures which will make budgeting more sensible. We could save time and improve efficiency by enacting 2-year budgets. Forty-three Governors have the line-item veto. Presidents should have it, too.

At the very least, when a President proposes to rescind Federal spending, the Congress should be required to vote on that proposal -- instead of killing it by inaction.

And I ask for Congress to honor the public's wishes by passing a constitutional amendment to require a balanced budget. Such an amendment, once phased in, will discipline both Congress and the Executive branch.

Several principles describe the kind of America I hope to build with your help in the years ahead.

We will not have the luxury of taking the easy, spendthrift approach to solving problems -- because higher spending and higher taxes put economic growth at risk.

Economic growth provides jobs and hope. Economic growth enables us to pay for social programs. Economic growth enhances the security of the Nation. And low tax rates create economic growth.

I believe in giving Americans greater freedom and greater choice -- and I will work for choice for American families, whether in the housing in which they live, the schools to which they send their children, or the child care they select for their young.

I believe that we have an obligation to those in need, but that Government should not be the provider of first resort for things that the private sector can produce better.

I believe in a society that is free from discrimination and bigotry of any kind. I will work to knock down the barriers left by past discrimination, and to build a more tolerant society that will stop such barriers from ever being built again.

I believe that family and faith represent the moral compass of the Nation -- and I will work to make them strong, for as Benjamin Franklin said: "If a sparrow cannot fall to the ground without His notice, [can] a [great Nation] rise without His aid?"

And I believe in giving people the power to make their own lives better through growth and opportunity. Together, let's put power in the hands of people.

more

Three weeks ago, we celebrated the Bicentennial Inaugural, the 200th anniversary of the first Presidency. And if you look back, one thing is so striking about the way the Founding Fathers looked at America. They didn't talk about themselves. They talked about posterity. They talked about the future.

We, too, must think in terms bigger than ourselves.

We must take actions today that will ensure a better tomorrow. We must extend American leadership in technology, increase long-term investment, improve our educational system, and boost productivity. These are the keys to building a better future.

Here are some of my recommendations:

- I propose almost \$2.2 billion for the National Science Foundation to promote basic research;
- I propose to make permanent the tax credit for research and development;
- I have asked Vice President Quayle to chair a new Task Force on Competitiveness;
- I request funding for NASA and a strong space program -- an increase of almost \$2.4 billion over the current fiscal year. We must have a manned space station; a vigorous, safe space shuttle program; and more commercial development in space. The space program should always go "full throttle up" -- that's not just our ambition; it's our destiny.

I propose that we cut the maximum tax rate on capital gains to increase long-term investment. History is clear: this will increase revenues, help savings, and create new jobs.

We won't be competitive if we leave whole sectors of America behind. This is the year we should finally enact urban enterprise zones, and bring hope to our inner cities.

But the most important competitiveness program of all is one which improves education in America. When some of our students actually have trouble locating America on a map of the world, it is time for us to map a new approach to education.

We must reward excellence, and cut through bureaucracy. We must help those schools that need help most. We must give choice to parents, students, teachers, and principals. And we must hold all concerned accountable. In education, we cannot tolerate mediocrity.

I want to cut the drop-out rate, and make America a more literate Nation. Because what it really comes down to is this: the longer our graduation lines are today, the shorter our unemployment lines will be tomorrow.

So tonight I am proposing the following initiatives:

- the beginning of a \$500-million program to reward America's best schools -- "merit schools";
- the creation of special Presidential awards for the best teachers in every State -- because excellence should be rewarded;
- the establishment of a new program of National Science Scholars, one each year for every Member of the House and Senate, to give this generation of students a special incentive to excel in science and mathematics;

more

- the expanded use of magnet schools which give families and students greater choice;
- and a new program to encourage "alternative certification" -- which will let talented people from all fields teach in the classroom.

I have said I'd like to be "the Education President." Tonight, I ask you to join me by becoming "the Education Congress."

Just last week, as I settled into this new office, I received a letter from a mother in Pennsylvania, who had been struck by my message in the Inaugural address. "Not 12 hours before," she wrote, "my husband and I received word that [our] son was addicted to cocaine. [He] had the world at his feet. Bright, gifted, personable.., he could have done anything with his life. [Now] he has chosen cocaine."

"Please," she wrote, "find a way to curb the supply of cocaine. Get tough with the pushers. [Our son] needs your help."

My friends, that voice crying out for help could be the voice of your own neighbor. Your own friend. Your own son. Over 23 million Americans used illegal drugs last year -- at a staggering cost to our Nation's well-being.

Let this be recorded as the time when America rose up and said "No" to drugs. The scourge of drugs must be stopped. I am asking tonight for an increase of almost a billion dollars in budget outlays to escalate the war against drugs. The war will be waged on all fronts.

Our new "Drug Czar," Bill Bennett and I will be shoulder-to-shoulder leading the charge.

Some money will be used to expand treatment to the poor, and to young mothers. This will offer the helping hand to the many innocent victims of drugs -- like the thousands of babies born addicted, or with AIDS, because of the mother's addiction.

Some will be used to cut the waiting time for treatment. Some money will be devoted to those urban schools where the emergency is now the worst. And much of it will be used to protect our borders, with help from the Coast Guard, the Customs Service, the Departments of State and Justice, and yes, the U.S. military.

I mean to get tough on the drug criminals. Let me be clear: this President will back up those who put their lives on the line every day -- our local police officers.

My budget asks for beefed-up prosecution, for a new attack on organized crime, and for enforcement of tough sentences -- and for the worst kingpins, that means the death penalty.

I also want to make sure that when a drug dealer is convicted, there is a cell waiting for him. He should not go free because prisons are too full.

Let the word go out: if you are caught and convicted, you will do time.

But for all we do in law enforcement, in interdiction and treatment, we will never win this war on drugs unless we stop demand for drugs.

So some of this increase will be used to educate the young about the dangers of drugs. We must involve parents. We must involve teachers. We must involve communities. And my friends, we must involve ourselves.

One problem related to drug use demands our urgent attention and our continuing compassion. That is the terrible tragedy of AIDS. I am asking for \$1.6 billion for education to prevent the disease -- and for research to find a cure.

If we're to protect our future, we need a new attitude about the environment. We must protect the air we breathe. I will send to you shortly legislation for a new, more effective Clean Air Act. It will include a plan to reduce, by date certain, the emissions which cause acid rain -- because the time for study alone has passed, and the time for action is now.

We must make use of clean coal. My budget contains full funding, on schedule, for the clean coal technology agreement we have made with Canada. We intend to honor that agreement.

We must not neglect our parks. So I am asking to fund new acquisitions under the land and water conservation fund.

We must protect our oceans. I support new penalties against those who would dump medical waste and other trash in the oceans. The age of the needle on the beach must end.

In some cases, the gulfs and oceans off our shores hold the promise of oil and gas reserves which can make our Nation more secure and less dependent on foreign oil. When those with the most promise can be tapped safely, as with much of the Alaska National Wildlife Refuge, we should proceed. But we must use caution and we must respect the environment.

So tonight I am calling for the indefinite postponement of three lease sales which have raised troubling questions -- two off the coast of California, and one which could threaten the Everglades in Florida. Action on these three lease sales will await the conclusions of a special task force set up to measure the potential for environmental damage.

I am directing the Attorney General and the Administrator of the Environmental Protection Agency to use every tool at their disposal to speed and toughen the enforcement of our laws against toxic waste dumpers. I want faster cleanups and tougher enforcement of penalties against polluters.

In addition to caring for our future, we must care for those around us. A decent society shows compassion for the young, the elderly, the vulnerable, and the poor.

Our first obligation is to the most vulnerable -- infants, poor mothers, children living in poverty -- and my proposed budget recognizes this. I ask for full funding of Medicaid -- an increase of over \$3 billion -- and an expansion of the program to include coverage of pregnant women who are near the poverty line.

I believe we should help working families cope with the burden of child care. Our help should be aimed at those who need it most -- low-income families with young children. I support a new child care tax credit that will aim our efforts at exactly those families -- without discriminating against mothers who choose to stay at home.

Now, I know there are competing proposals. But remember this: The overwhelming majority of all preschool child care is now provided by relatives and neighbors, churches and community groups. Families who choose these options should remain eligible for help. Parents should have choice.

And for those children who are unwanted or abused, or whose parents are deceased, I believe we should encourage adoption. I propose to re-enact the tax deduction for adoption expenses, and to double it to \$3,000. Let's make it easier for these kids to have parents who love them.

We have a moral contract with our senior citizens. In this budget, Social Security is fully funded, including a full cost-of-living adjustment. We must honor our contract.

more

We must care about those in "the shadows of life," and I, like many Americans, am deeply troubled by the plight of the homeless. The causes of homelessness are many, the history is long, but the moral imperative to act is clear.

Thanks to the deep well of generosity in this great land, many organizations already contribute. But we in Government cannot stand on the sidelines. In my budget, I ask for greater support for emergency food and shelter, for health services and measures to prevent substance abuse, and for clinics for the mentally ill -- and I propose a new initiative involving the full range of Government agencies. We must confront this national shame.

There is another issue I decided to mention here tonight. I have long believed that the people of Puerto Rico should have the right to determine their own political future. Personally, I favor statehood. But I ask the Congress to take the necessary steps to let the people decide in a referendum.

Certain problems, the result of decades of unwise practices, threaten the health and security of our people. Left unattended, they will only get worse -- but we can act now to put them behind us.

Earlier this week, I announced my support for a plan to restore the financial and moral integrity of our savings system. I ask Congress to enact our reform proposals within 45 days. We must not let this situation fester.

Certainly, the savings of Americans must remain secure -- insured depositors will continue to be fully protected. But any plan to refinance the system must be accompanied by major reform. Our proposals will prevent such a crisis from recurring. The best answer is to make sure that a mess like this will never happen again.

The majority of thrifts in communities across this Nation have been honest; they have played a major role in helping families achieve the American dream of home ownership. But make no mistake: Those who are corrupt, those who break the law, must be kicked out of the business; and they should go to jail.

We face a massive task in cleaning up the waste left from decades of environmental neglect at America's nuclear weapons plants. Clearly, we must modernize these plants and operate them safely. That is not at issue -- our national security depends on it.

But beyond that, we must clean up the old mess that's been left behind -- and I propose in this budget to more than double our current effort to do so. This will allow us to identify the exact nature of the various problems so we can clean them up -- and clean them up we will.

We have been fortunate during these past eight years. America is a stronger Nation today than it was in 1980. Morale in our Armed Forces is restored. Our resolve has been shown. Our readiness has been improved. And we are at peace. There can no longer be any doubt that peace has been made more secure through strength. When America is stronger, the world is safer.

Most people don't realize, that after the successful restoration of our strength, the Pentagon budget has actually been reduced in real terms for each of the last four years. We cannot tolerate further reductions.

In light of the compelling need to reduce the deficit, however, I support a 1-year freeze in the military budget -- something I proposed last fall in my flexible freeze plan.

This freeze will apply for only one year -- after that increases above inflation will be required. I will not sacrifice American preparedness; and I will not compromise American strength.

more

I should be clear on the conditions attached to my recommendation for the coming year:

- the savings must be allocated to those priorities for investing in our future that I have spoken about tonight;
- this defense freeze must be part of a comprehensive budget agreement which meets the targets spelled out in the Gramm-Rudman-Hollings law without raising taxes, and which incorporates reforms in the budget process.

I have directed the National Security Council to review our national security and defense policies and report back to me within 90 days to ensure that our capabilities and resources meet our commitments and strategies.

I am also charging the Department of Defense with the task of developing a plan to improve the defense procurement process and management of the Pentagon -- one which will fully implement the Packard Commission report. Many of the changes can only be made with the participation of the Congress -- so I ask for your help.

We need fewer regulations. We need less bureaucracy. We need multi-year procurement and 2-year budgeting. And frankly, we need less Congressional micromangement of our Nation's military policy.

Securing a more peaceful world is perhaps the most important priority I'd like to address tonight. We meet at a time of extraordinary hope. Never before in this century have our values of freedom, democracy, and economic opportunity been such a powerful political and intellectual force around the globe.

Never before has our leadership been so crucial, because while America has its eyes on the future, the world has its eyes on America.

It is a time of great change in the world -- and especially in the Soviet Union. Prudence and common sense dictate that we try to understand the full meaning of the change going on there, review our policies carefully, and proceed with caution. But I have personally assured General Secretary Gorbachev that, at the conclusion of such a review, we will be ready to move forward. We will not miss any opportunity to work for peace.

The fundamental fact remains that the Soviets retain a very powerful military machine, in the service of objectives which are still too often in conflict with ours. So let us take the new openness seriously. Let us step forward to negotiate. But let us also be realistic. And let us always be strong.

There are some pressing issues we must address: I will vigorously pursue the Strategic Defense Initiative. The spread and even use of sophisticated weaponry threatens global stability as never before.

Chemical weapons must be banned from the face of the Earth, never to be used again. This won't be easy. Verification will be difficult. But civilization and human decency demand that we try.

And the spread of nuclear weapons must be stopped. I will work to strengthen the hand of the International Atomic Energy Agency. Our diplomacy must work every day against the proliferation of nuclear weapons.

And, around the globe, we must continue to be freedom's best friend. We must stand firm for self-determination and democracy in Central America -- including in Nicaragua. For when people are given the chance, they inevitably will choose a free press, freedom of worship, and certifiably free and fair elections.

more

We must strengthen the alliance of industrial democracies -- as solid a force for peace as the world has ever known. This is an alliance forged by the power of our ideals, not the pettiness of our differences. So let us lift our sights -- to rise above fighting about beef hormones to building a better future, to move from protectionism to progress.

I have asked the Secretary of State to visit Europe next week and to consult with them on the wide range of challenges and opportunities we face together -- including East-West relations. And I look forward to meeting with our NATO partners in the near future.

I, too, shall begin a trip shortly -- to the far reaches of the Pacific Basin, where the winds of democracy are creating new hope, and the power of free markets is unleashing a new force.

When I served as our representative in China just 14 years ago, few would have predicted the scope of the changes we've witnessed since then. But in preparing for this trip, I was struck by something I came across from a Chinese writer. He was speaking of his country, decades ago -- but his words speak to each of us, in America, tonight.

"Today," he said, "we are afraid of the simple words like goodness and mercy and kindness."

My friends, if we're to succeed as a Nation, we must rediscover those words.

In just three days, we mark the birthday of Abraham Lincoln -- the man who saved our Union, and gave new meaning to the word opportunity. Lincoln once said: "I hold that while man exists, it is his duty to improve not only his own condition, but to assist in ameliorating [that of] mankind."

It is this broader mission to which I call all Americans. Because the definition of a successful life must include serving others.

To the young people of America, who sometimes feel left out -- I ask you tonight to give us the benefit of your talent and energy through a new program called "YES," for Youth Entering Service to America.

To those men and women in business -- remember the ultimate end of your work -- to make a better product, to create better lives. I ask you to plan for the longer-term and avoid the temptation of quick and easy paper profits.

To the brave men and women who wear the uniform of the United States of America -- thank you. Your calling is a high one -- to be the defenders of freedom and the guarantors of liberty. And I want you to know that the Nation is grateful for your service.

To the farmers of America, we appreciate the bounty you provide. We will work with you to open foreign markets to American agricultural products.

To the parents of America, I ask you to get involved in your child's schooling. Check on their homework. Go to the school, meet the teachers, care about what is happening there. It is not only your child's future on the line, it is America's.

To kids in our cities -- don't give up hope. Say no to drugs. Stay in school. And yes, "Keep hope alive."

To those 37 million Americans with some form of disability -- you belong in the economic mainstream. We need your talents in America's workforce. Disabled Americans must become full partners in America's opportunity society.

more

To the families of America watching tonight in your living rooms: Hold fast to your dreams, because ultimately America's future rests in your hands.

And to my friends in this Chamber, I ask for your cooperation to keep America growing while cutting the deficit. That is only fair to those who now have no vote -- the generations to come.

Let them look back and say that we had the foresight to understand that a time of peace and prosperity is not a time to rest, but a time to push forward. A time to invest in the future.

And let all Americans remember that no problem of human making is too great to be overcome by human ingenuity, human energy, and the untiring hope of the human spirit. I believe this. I would not have asked to be your President if I didn't.

Tomorrow, the debate on the plan I have put forward begins. I ask the Congress to come forward with your proposals, if they are different. Let us not question each other's motives. Let us debate. Let us negotiate. But let us solve the problem.

Recalling anniversaries may not be my specialty in speeches... but tonight is one of some note. On February 9, 1941, just 48 years ago tonight, Sir Winston Churchill took to the airwaves during Britain's hour of peril.

He had received from President Roosevelt a hand-carried letter quoting Longfellow's famous poem: "Sail on, Oh Ship of State! Sail on, Oh Union, strong and great! Humanity with all its fears, with all the hopes of future years, Is hanging breathless on thy fate!"

Churchill responded on this night by radio broadcast to a nation at war, but he directed his words to Roosevelt. "We shall not fail or falter," he said. "We shall not weaken or tire. Give us the tools, and we will finish the job."

Tonight, almost a half century later, our peril may be less immediate, but the need for perseverance and clear-sighted fortitude is just as great.

Now, as then, there are those who say it can't be done. There are voices who say that America's best days have past. That we are bound by constraints, threatened by problems, surrounded by troubles which limit our ability to hope.

Well, tonight I remain full of hope. We Americans have only begun on our mission of goodness and greatness. And to those timid souls, I repeat the plea -- give us the tools; and we will do the job.

# # #

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 9, 1989

REMARKS BY THE PRESIDENT  
TO THE JOINT SESSION OF CONGRESS

The Capitol  
Washington, D.C.

9:07 P.M. EST

THE PRESIDENT: Mr. Speaker, Mr. President, and distinguished members of the House and Senate, honored guests, and fellow citizens. Less than three weeks ago, I joined you on the West Front of this very building -- and looking over the monuments to our proud past -- offered you my hand in filling the next page of American history with a story of extended prosperity and continued peace. And tonight, I'm back to offer you my plans, as well. The hand remains extended, the sleeves are rolled up, America is waiting, and now we must produce. Together, we can build a better America.

It is comforting to return to this historic Chamber. Here, 22 years ago, I first raised my hand to be sworn into public life. So tonight, I feel as if I'm returning home to friends and I intend -- (applause.) And I intend, in the months and years to come, to give you what friends deserve: frankness, respect, and my best judgment about ways to improve America's future.

In return, I ask for an honest commitment to our common mission of progress. If we seize the opportunities on the road before us, there'll be praise enough for all. The people didn't send us here to bicker. And it's time to govern.

And many presidents have come to this Chamber in times of great crisis. War and depression, loss of national spirit. And eight years ago, I sat in that very chair as President Reagan spoke of punishing inflation and devastatingly high interest rates and people out of work, American confidence on the wane. And our challenge is different.

We're fortunate -- a much changed landscape lies before us tonight. So I don't propose to reverse direction. We're headed the right way. But we cannot rest. We're a people whose energy and drive have fueled our rise to greatness. And we're a forward-looking nation -- generous, yes, but ambitious, as well -- not for ourselves, but for the world. Complacency is not in our character -- not before, not now, not ever. (Applause.)

And so tonight, we must take a strong America and make it even better. We must address some very real problems. We must establish some very clear priorities. And we must make a very substantial cut in the federal budget deficit. (Applause.)

Some people find that agenda impossible. But I'm presenting to you tonight a realistic plan for tackling it. My plan has four broad features: attention to urgent priorities, investment in the future, an attack on the deficit, and no new taxes. (Applause.)

This budget represents my best judgment of how we can address our priorities. There are many areas in which we would all like to spend more than I propose; I understand that. But we cannot until we get our fiscal house in order.

MORE

Next year alone, thanks to economic growth, without any change in the law, the federal government will take in over \$80 billion dollars more than it does this year. That's right -- over \$80 billion in new revenues, with no increases in taxes. And our job is to allocate those new resources wisely.

We can afford to increase spending by a modest amount, but enough to invest in key priorities and still cut the deficit by almost 40 percent in one year. And that will allow us to meet the targets set forth in the Gramm-Rudman-Hollings law. But to do that, we must recognize that growth above inflation in federal programs is not preordained; that not all spending initiatives were designed to be immortal. (Applause.)

I make this pledge tonight: My team and I are ready to work with the Congress, to form a special leadership group, to negotiate in good faith, to work day and night -- if that's what it takes -- to meet the budget targets, and to produce a budget on time.

We cannot settle for business as usual. Government by continuing resolution -- or government by crisis -- will not do. And I ask the Congress tonight to approve several measures which will make budgeting more sensible. We could save time and improve efficiency by enacting two-year budgets. (Applause.) Forty-three governors have the line-item veto. President's should have it, too. (Applause.) And the very least -- at the very least, when a President proposes to rescind federal spending, the Congress should be required to vote on that proposal -- instead of killing it by inaction. (Applause.)

And I ask the Congress to honor the public's wishes by passing a constitutional amendment to require a balanced budget. (Applause.) Such an amendment, once phased in, will discipline both the Congress and the Executive Branch.

Several principles describe the kind of America I hope to build with your help in the years ahead. We will not have the luxury of taking the easy, spendthrift approach to solving problems -- because higher spending and higher taxes put economic growth at risk. Economic growth provides jobs and hope. Economic growth enables us to pay for social programs. Economic growth enhances the security of the nation. And low tax rates create economic growth.

I believe in giving Americans greater freedom and greater choice -- and I will work for choice for American families, whether in the housing in which they live, the schools to which they send their children, or the child care they select for their young. (Applause.)

You see, I believe that we have an obligation to those in need, but that government should not be the provider of first resort for things that the private sector can produce better. I believe in a society that is free from discrimination and bigotry of any kind. (Applause.) And I will work to knock down the barriers left by past discrimination -- (applause) -- and to build a more tolerant society that will stop such barriers from ever being built again.

I believe that family and faith represent the moral compass of the nation -- and I'll work to make them strong, for as Benjamin Franklin said, "If a sparrow cannot fall to the ground without His notice, can a great nation rise without his aid?"

And I believe in giving people the power to make their own lives better through growth and opportunity. And together, let's put power in the hands of people. (Applause.)

Three weeks ago, we celebrated the Bicentennial Inaugural, the 200th anniversary of the first presidency. And if you look back, one thing is so striking about the way the Founding

Fathers looked at America. They didn't talk about themselves. They talked about posterity. They talked about the future.

And we, too, must think in terms bigger than ourselves. We must take actions today that will ensure a better tomorrow. (Applause.) We must extend American leadership in technology, increase long-term investment, improve our educational system, and boost productivity. These are the keys to building a better future.

And here are some of my recommendations:

I propose almost \$2.2 billion for the National Science Foundation to promote basic research and keep us on track to double its budget by 1993. (Applause.)

I propose to make permanent the tax credit for research and development. (Applause.)

I've asked Vice President Quayle to chair a new Task Force on Competitiveness. (Applause.)

And I request funding for NASA and a strong space program -- an increase of almost \$2.4 billion over the current fiscal year. We must have a manned space station; a vigorous, safe space shuttle program; and more commercial development in space. The space program should always go "full throttle up" -- and that's not just our ambition; it's our destiny. (Applause.)

I propose that we cut the maximum tax rate on capital gains to increase long-term investment. (Applause.) History is clear -- history on this is clear; this will increase revenues, help savings, and create new jobs. (Applause.) We won't be competitive if we leave whole sectors of America behind. This is the year we should finally enact urban enterprise zones and bring hope to the inner cities. (Applause.)

But the most important competitiveness program of all is one which improves education in America. When some of our students actually have trouble locating America on a map of the world, it is time for us to map a new approach to education. (Applause.)

We must reward excellence and cut through bureaucracy. We must help schools that need help the most. We must give choice to parents, students, teachers, and principals; and we must hold all concerned accountable. In education, we cannot tolerate mediocrity. (Applause.)

I want to cut that dropout rate and make America a more literate nation. (Applause.) Because what it really comes down to is this: the longer our graduation lines are today, the shorter our unemployment lines will be tomorrow.

So tonight I'm proposing the following initiatives:

The beginning of a \$500-million program to reward America's best schools -- "merit schools."

The creation of special presidential awards for the best teachers in every state -- because excellence should be rewarded. -- (Applause.)

The establishment of a new program of National Science Scholars, one each year for every Member of the House and Senate, to give this generation of students a special incentive to excel in science and mathematics. (Applause.)

The expanded use of magnet schools, which give families and students greater choice; and a new program -- to encourage "alternative certification" which will let talented people from all fields teach in our classrooms. (Applause.)

I've said I'd like to be the "Education President." And tonight, I've asked you to join me by becoming the "Education Congress." (Applause.)

Just last week, as I settled into this new office, I received a letter from a mother in Pennsylvania who had been struck by my message in the Inaugural Address. "Not 12 hours before," she wrote, "my husband and I received word that our son was addicted to cocaine. He had the world at his feet. Bright, gifted, personable. He could have done anything with his life. And now he has chosen cocaine."

"And please," she wrote, "find a way to curb the supply of cocaine. Get tough with the pushers. Our son needs your help." (Applause.)

My friends, that voice crying out for help could be the voice of your own neighbor, your own friend, your own son. Over 23 million Americans used illegal drugs last year -- at a staggering cost to our nation's well-being.

Let this be recorded as the time when America rose up and said "no" to drugs. The scourge of drugs must be stopped. And I am asking tonight for an increase of almost a billion dollars in budget outlays to escalate the war against drugs. (Applause.) The war must be waged on all fronts. Our new drug czar, Bill Bennett, and I will be shoulder-to-shoulder in the Executive Branch leading the charge.

Some money will be used to expand treatment to the poor and to young mothers. This will offer the helping hand to the many innocent victims of drugs -- like the thousands of babies born addicted, or with AIDS because of the mother's addiction.

Some will be used to cut the waiting time for treatment. Some money will be devoted to those urban schools where the emergency is now the worst. And much of it will be used to protect our borders, with help from the Coast Guard, and the Customs Service, the Departments of State and Justice, and yes, the U.S. military. (Applause.)

I mean to get tough on the drug criminals. And let me be clear: this President will back up those who put their lives on the line every single day -- our local police officers. (Applause.)

My budget asks for beefed-up prosecution, for a new attack on organized crime, and for enforcement of tough sentences -- and for the worst kingpins, that means the death penalty. (Applause.) I also want to make sure that when a drug dealer is convicted, there's a cell waiting for him. And he should not go free because prisons are too full.

And so let the word go out: If you're caught and convicted, you will do time.

But for all we do in law enforcement, in interdiction and treatment, we will never win this war on drugs unless we stop the demand for drugs. So some of this increase will be used to educate the young about the dangers of drugs. We must involve the parents. We must involve the teachers. We must involve the communities. And my friends, we must involve ourselves -- each and every one of us in this concern. (Applause.)

One problem related to drug use demands our urgent attention and our continuing compassion. And that is the terrible tragedy of AIDS. I'm asking for \$1.6 billion for education to prevent the disease -- and for research to find a cure.

If we're to protect our future, we need a new attitude about the environment. We must protect the air we breathe. I will

MORE

send to you shortly legislation for a new, more effective, Clean Air Act. It will include a plan to reduce, by date certain, the emissions which cause acid rain -- (applause) -- because the time for study alone has passed, and the time for action is now. (Applause.)

We must make use of clean coal. My budget contains full funding, on schedule, for the clean coal technology agreement that we've made with Canada. (Applause.) We've made that agreement with Canada and we intend to honor that agreement.

We must not neglect our parks. So I'm asking to fund new acquisitions under the Land and Water Conservation Fund. We must protect our oceans. And I support new penalties against those who would dump medical waste and other trash into our oceans. (Applause.) The age of the needle on the beaches must end. (Applause.)

And in some cases, the gulfs and oceans off our shores hold the promise of oil and gas reserves which can make our nation more secure and less dependent on foreign oil. And when those with the most promise can be tapped safely, as with much of the Alaska National Wildlife Refuge, we should proceed. (Applause.) But we must use caution. We must respect the environment.

And so tonight I'm calling for the indefinite postponement of three lease sales which have raised troubling questions -- two off the coast of California, and one which could threaten the Everglades in Florida. (Applause.) Action on these three lease sales will await the conclusion of a special task force set up to measure the potential for environmental damage.

I'm directing the Attorney General and the Administrator of the Environmental Protection Agency to use every tool at their disposal to speed and toughen the enforcement of our laws against toxic waste dumpers. (Applause.) I want faster cleanups and tougher enforcement of penalties against polluters.

In addition to caring for our future, we must care for those around us. A decent society shows compassion for the young, the elderly, the vulnerable, and the poor.

Our first obligation is to the most vulnerable -- infants, poor mothers, children living in poverty -- and my proposed budget recognizes this. I ask for full funding of Medicaid -- an increase of over \$3 billion -- and an expansion of the program to include coverage of pregnant women who are near the poverty line. (Applause.)

I believe we should help working families cope with the burden of child care. Our help should be aimed at those who need it most -- low-income families with young children. I support a new child care tax credit that will aim our efforts at exactly those families -- without discriminating against mothers who choose to stay at home. (Applause.)

Now, I know there are competing proposals. But remember this -- the overwhelming majority of all preschool child care is now provided by relatives and neighbors and churches and community groups. Families who choose these options should remain eligible for help. Parents should have choice. (Applause.)

And for those children who are unwanted or abused or whose parents are deceased, we should encourage adoption. I propose to reenact the tax deduction for adoption expenses, and to double it to \$3,000. (Applause.) Let's make it easier for these kids to have parents who love them.

We have a moral contract with our senior citizens. And in this budget, Social Security is fully funded, including a full cost-of-living adjustment. We must honor our contract.

MORE

We must care about those in the shadow of life, and I, like many Americans, am deeply troubled by the plight of the homeless. The causes of homelessness are many, the history is long. But the moral imperative to act is clear.

Thanks to the deep well of generosity in this great land, many organizations already contribute. But we in government cannot stand on the sidelines. In my budget, I ask for greater support for emergency food and shelter, for health services and measures to prevent substance abuse, and for clinics for the mentally ill. (Applause.) And I propose a new initiative involving the full range of government agencies. We must confront this national shame.

There's another issue that I've decided to mention here tonight. I've long believed that the people of Puerto Rico should have the right to determine their own political future. Personally, I strongly favor statehood. But I urge the Congress to take the necessary steps to allow the people to decide in a referendum.

Certain problems, the result of decades of unwise practices, threaten the health and security of our people. Left unattended, they will only get worse -- but we can act now to put them behind us.

Earlier this week, I announced my support for a plan to restore the financial and moral integrity of our savings system. I ask Congress to enact our reform proposals within 45 days. We must not let this situation fester. (Applause.) We owe it to the savers in this country to solve this problem. (Applause.)

Certainly, the savings of Americans must remain secure. Let me be clear. Insured depositors will continue to be fully protected. But any plan to refinance the system must be accompanied by major reform. Our proposals will prevent such a crisis from recurring. The best answer is to make sure that a mess like this will never happen again.

The majority of thrifts in communities across the nation have been honest. They've played a major role in helping families achieve the dream of home ownership. But make no mistake -- those who are corrupt, those who break the law, must be kicked out of the business and they should go to jail. (Applause.)

We face a massive task in cleaning up the waste left from decades of environmental neglect at our America's nuclear weapons plants. Clearly, we must modernize these plants and operate them safely. That's not at issue -- our national security depends on it. But beyond that, we must clean up the old mess that's been left behind -- and I propose in this budget to more than double our current effort to do so. This will allow us to identify the exact nature of the various problems so we can clean them up -- and clean them up we will. (Applause.)

We've been fortunate during these past eight years. America is a stronger nation than it was in 1980. Morale in our Armed Forces has been restored. Our resolve has been shown. Our readiness has been improved. And we are at peace. There can no longer be any doubt that peace has been made more secure through strength. And when America is stronger, the world is safer. (Applause.)

Most people don't realize that after the successful restoration of our strength, the Pentagon budget has actually been reduced in real terms for each of the last four years. We cannot tolerate continued real reduction in defense. In light of the compelling need to reduce the deficit, however, I support a one-year freeze in the military budget -- something I proposed last fall in my flexible freeze plan.

And this freeze will apply for only one year, and after that, increases above inflation will be required. I will not sacrifice American preparedness, and I will not compromise American strength. (Applause.)

I should be clear on the conditions attached to my recommendation for the coming year:

The savings must be allocated to those priorities for investing in our future that I've spoken about tonight.

This defense freeze must be a part of a comprehensive budget agreement which meets the targets spelled out in Gramm-Rudman-Hollings law without raising taxes, and which incorporates reforms in the budget process.

I have directed the National Security Council to review our national security and defense policies and report back to me within 90 days to ensure that our capabilities and resources meet our commitments and strategies.

I'm also charging the Department of Defense with the task of developing a plan to improve the defense procurement process and management of the Pentagon -- one which will fully implement the Packard Commission report. (Applause.) Many of these changes can only be made with the participation of the Congress -- and so I ask for your help.

We need fewer regulations. We need less bureaucracy. We need multiyear procurement and two-year budgeting. And frankly, -- and don't take this wrong -- we need less congressional micromanagement of our nation's military policy. (Applause.) I detect a slight division on that question, but nevertheless -- (laughter.)

Securing a more peaceful world is perhaps the most important priority I'd like to address tonight. You know we meet at a time of extraordinary hope. Never before in this century have our values of freedom, democracy, and economic opportunity been such a powerful and intellectual force around the globe.

Never before has our leadership been so crucial, because while America has its eyes on the future, the world has its eyes on America.

And it's time of great change in the world -- and especially in the Soviet Union. Prudence and common sense dictate that we try to understand the full meaning of the change going on there, review our policies and then proceed with caution. But I've personally assured General Secretary Gorbachev that at the conclusion of such a review we will be ready to move forward. We will not miss any opportunity to work for peace.

The fundamental facts remain that the Soviets retain a very powerful military machine, in the service of objectives which are still too often in conflict with ours. So let us take the new openness seriously. But let's also be realistic. And let's always be strong. (Applause.)

There are some pressing issues we must address: I will vigorously pursue the Strategic Defense Initiative. (Applause.) The spread and even use of sophisticated weaponry threatens global security as never before.

Chemical weapons must be banned from the face of the Earth, never to be used again. (Applause.) And, look, this won't be easy. Verification -- extraordinarily difficult. But civilization and human decency demand that we try.

And the spread of nuclear weapons must be stopped. And

MORE

I'll work to strengthen the hand of the International Atomic Energy Agency. Our diplomacy must work every day against the proliferation of nuclear weapons.

And around the globe, we must continue to be freedom's best friend. And we must stand firm for self-determination and democracy in Central America -- including in Nicaragua. (Applause.) It is my strongly held conviction that when people are given the chance, they inevitably will choose a free press, freedom of worship, and certifiably free and fair elections.

We must strengthen the alliance of the industrial democracies -- as solid a force for peace as the world has ever known. And this is an alliance forged by the power of our ideals, not the pettiness of our differences. So let's lift our sights -- to rise above fighting about beef hormones to building a better future, to move from protectionism to progress.

I've asked the Secretary of State to visit Europe next week and to consult with our allies on the wide range of challenges and opportunities we face together -- including East-West relations. And I look forward to meeting with our NATO partners in the near future.

And I, too, shall begin a trip shortly -- to the far reaches of the Pacific Basin, where the winds of democracy are creating new hope, and the power of free markets is unleashing a new force.

When I served as our representative in China 14 or 15 years ago, few would have predicted the scope of the changes we've witnessed since then. But in preparing for this trip, I was struck by something I came across from a Chinese writer. He was speaking of his country, decades ago, but his words speak to each of us, in America, tonight.

"Today," he said, "we're afraid of the simple words like goodness and mercy and kindness."

My friends, if we're to succeed as a nation, we must rediscover those words.

In just three days, we mark the birthday of Abraham Lincoln -- the man who saved our Union, and gave new meaning to the word opportunity. Lincoln once said: "I hold that while man exists, it is his duty to improve not only his own condition, but to assist in ameliorating that of mankind."

It is this broader mission to which I call all Americans. Because the definition of a successful life must include serving others. (Applause.)

And to the young people of America, who sometimes feel left out -- I ask you tonight to give us the benefit of your talent and energy through a new program called "YES," for Youth Entering Service to America.

To those men and women in business -- remember the ultimate end of your work -- to make a better product, to create better lives. I ask you to plan for the longer-term and avoid that temptation of quick and easy paper profits.

To the brave men and women who wear the uniform of the United States of America -- thank you. Your calling is a high one -- (applause.) To be the defenders of freedom and the guarantors of liberty. And I want you to know that this nation is grateful for your service.

To the farmers of America, we appreciate the bounty you provide. We will work with you to open foreign markets to American

agricultural products. (Applause.)

And to the parents of America, I ask you to get involved in your child's schooling. Check on the homework. Go to the school, meet the teachers, care about what is happening there. It's not only your child's future on the line, it's America's.

To kids in our cities -- don't give up hope. Say no to drugs. Stay in school. And yes, "Keep hope alive."

To those 37 million Americans with some form of disability -- you belong in the economic mainstream. We need your talents in America's workforce. Disabled Americans must become full partners in America's opportunity society. (Applause.)

To the families of America watching tonight in your living rooms: Hold fast to your dreams, because ultimately America's future rests in your hands.

And to my friends in this Chamber, I ask your cooperation to keep America growing while cutting the deficit. That's only fair to those who now have no vote -- the generations to come.

Let them look back and say that we had the foresight to understand that a time of peace and prosperity is not the time to rest, but a time to press forward -- a time to invest in the future.

And let all Americans remember that no problem of human-making is too great to be overcome by human ingenuity, human energy, and the untiring hope of the human spirit. I believe this. I would not have asked to be your President if I didn't.

And tomorrow, the debate on the plan I've put forward begins, and I ask the Congress to come forward with your own proposals. Let's not question each other's motives. Let's debate. Let's negotiate. But let us solve the problem. (Applause.)

Recalling anniversaries may not be my specialty in speeches -- (laughter and applause.) -- but tonight is one of some note. On February 9, 1941, just 48 years ago tonight, Sir Winston Churchill took to the airwaves during Britain's hour of peril. He'd received from President Roosevelt a hand-carried letter quoting Longfellow's famous poem: "Sail on, oh Ship of State! Sail on, Oh Union, strong and great! Humanity with all its fears, with all the hopes of future years, is hanging breathless on thy fate!"

And Churchill responded on this night by radio broadcast to a nation at war, but he directed his words to Franklin Roosevelt. "We shall not fail or falter," he said. "We shall not weaken or tire. Give us the tools, and we will finish the job."

Tonight, almost half a century later, our peril may be less immediate, but the need for perseverance and clear-sighted fortitude is just as great.

Now, as then, there are those who say it can't be done. There are voices who say that America's best days have passed; that we're bound by constraints, threatened by problems, surrounded by troubles which limit our ability to hope. Well, tonight, I remain full of hope. We Americans have only begun on our mission of goodness and greatness. And to those timid souls, I repeat the plea -- give us the tools, and we will do the job.

Thank you. God bless you and God bless America.  
(Applause.)

END

9:56 P.M. EST

## EDUCATION

This is one of the most important policy areas to the President personally. If we are to enter the 21st Century in a position of leadership, we must realize now that education is our most enduring legacy. The President has made a number of proposals to work toward this goal, because a poor education system leaves the nation ill-prepared for the opportunities ahead. He has requested programs to reward excellence in teachers and students; he has asked for an annual fund of \$100 million in new appropriations to help create magnet schools; he has proposed a new program to encourage "alternative certification," and a new program of National Science Scholars to encourage math and science studies. The Administration will continue to develop proposals for improving education.

## FIGHTING DRUG ABUSE

America is being paralyzed by the threat of drugs. With the confirmation of Bill Bennett and the trip to South America by Attorney General Thornburgh, we have begun a new war on drugs in the country. The President believes a four-pronged approach is key: education, rehabilitation, interdiction and enforcement. He has requested \$6 billion in new funding for 1990 to fight this war, from increasing education of our youth to supporting our agents on the front lines. Finally, he firmly supports the death penalty for drug kingpins who commit drug-related murders.

## THE ENVIRONMENT

The Administration has already proposed the phasing out of chlorofluorocarbons, and a ban on the exporting of hazardous waste. Problems with nuclear waste disposal, the depletion of the ozone layer, the deforestation of the Third World, the destruction of our parks and wetlands are all critical issues with few quick and easy answers. The President is focusing on the long-range solutions to these pressing problems that face us today, and will be moving ahead on them.

## CHILD CARE

The changing nature of American society is putting more and more pressure on the family. President Bush wants to give parents -- not government -- the power to choose the best and safest environment for their children. This issue is the most specific and narrowly defined of these agenda items, but it is also the most broadly applied in terms of impact on our families and on our nation. The President has proposed a child-care plan that combines tax credits with private-sector resources to provide parents with choices, and we will be pursuing it vigorously with the Congress in the next week.

## THE HOMELESS

The sight of Americans huddled on park benches and steam grates is an affront to the American Dream. We must seek a solution to homelessness, and Jack Kemp has already begun an aggressive effort at HUD. He will be working with the President to identify housing objectives and policy changes that we might undertake to help the homeless, and the general housing situation in this country.

Reorienting our society to compete in the world economy as we enter the 21st Century -- building a better America -- is an agenda that we believe is of paramount importance at this stage in our history. The Administration is moving quickly to put this plan together early in President Bush's term, and to look to the shape of things to come.

2/9/89

## TALKING POINTS

### DRUGS

The President has proposed nearly \$1 billion in new outlays for anti-drug efforts -- a 21% increase over FY 89, and a nearly 50% increase over FY 88. The President is committed to ending drug abuse in America; the policy of his Administration is "zero tolerance."

1. The President's anti-drug program is based on four strategies for which the President is requesting a total of \$6.0 billion in budget authority for 1990:

- o Education: Fundamentally, the problem is demand, and the demand must be stopped. Education of our children about the dangers of drugs must begin early and continue through college. An increase of 16% in Federal support for anti-drug education is proposed.
- o Treatment: The President's goal is to reclaim lives, not abandon them. The Administration proposes an increase of 18% vs. FY 1989 for treatment programs.
- o Interdiction and Enforcement: The President is committed to stopping drugs at the source -- internationally, at U.S. borders, and among drug cartels and drug runners. Funding for interdiction and enforcement measures is increased by 10% over FY 1989. This effort includes strengthened interdiction and inspections efforts for Coast Guard, Drug Enforcement Administration, Customs, and more prison space to keep drug criminals off the streets.
- o Stronger Drug Penalties: The President is committed to strict enforcement of tough penalties for drug users and traffickers -- the death penalty for those who commit drug-related murders, and longer prison sentences.

2. The Administration's crack-down on drugs is part of an aggressive commitment to law enforcement. The Administration is requesting an 11% increase in the budget authority for law enforcement, above and beyond the increases for combatting drug-related crime.

3. The President will work with his designated Director of the Office of National Drug Control Policy, Bill Bennett. Upon confirmation he will develop a national anti-drug strategy, and help assure that the President's programs are successfully implemented.

#

2/9/89

## TALKING POINTS

### ENVIRONMENT

The President proposed a vigorous nine-part agenda for protecting the environment.

#### 1. Strengthening our Commitment to Cleaner Air.

- o The President will propose legislation to reauthorize the Clean Air Act, ensuring progress toward meeting air quality standards in the Nation's major cities.
- o The Administration will ask Congress to establish an acid rain program that will obtain significant SO<sub>2</sub> and NO<sub>x</sub> emission reductions, balancing competing interests, by specified dates.
- o The President will work to achieve the worldwide ratification of the historic Montreal Protocol.

#### 2. Preserving and Expanding Recreation Lands.

- o The President proposes funding to buy land for parks and protected areas; his request is for the FY89 level of \$206 million, beginning in 1990 and continuing through the outyears.

#### 3. Developing Offshore Oil and Gas While Protecting the Environment:

The President believes that oil and gas development of America's offshore areas is necessary, however, drilling will be permitted only in an environmentally sound manner.

- o The President will direct that an interagency task force be established to review environmental concerns over adverse impacts of sales in three environmentally sensitive areas. By January 1, 1990, the task force will report its recommendations concerning:

- sale area #91 off northern California;
- sale area #116 off southern Florida; and
- sale area #95 off southern California.

Until that time these sales will be postponed.

#### 4. Speeding Hazardous Waste Cleanup: The President will reinvigorate the Superfund hazardous waste program by directing EPA to take a number of actions.

- o Use its judicial enforcement authorities to collect triple damages from polluters unwilling to clean up their wastes.
- o Pursue more cost recovery cases sooner.
- o Use its emergency cleanup authority more often.

5. Fighting Ocean Pollution: The President is committed to clean oceans.
  - o The President will direct EPA to negotiate quickly compliance agreements with existing dumpers to end ocean dumping by the end of 1991.
  - o The FBI and EPA will be instructed to pursue criminal actions against illegal dumpers of medical wastes and EPA will be directed to issue major fines against ocean discharge permit violators.
  
6. Preserving Our Wetlands: America must better protect its wetlands, which are now recognized as being among the most productive ecological systems.
  - o The President will immediately establish a wetlands task force under the Domestic Policy Council. The task force will recommend ways to revise and strengthen the current Presidential executive order on wetlands protection. This will include establishment of no net loss as a national goal.
  
7. Enhancing Water Quality: Our water -- especially our groundwater -- must be protected.
  - o The President proposes an increase in funding of \$64 million for coordinated Federal water quality programs. Building on an interagency base of \$226 million, the 1990 programs will address critical needs in water quality assessment, research, and public education.
  
8. Reducing the Growing Volume of Waste: This country must make every effort to stem the rising tide of garbage and industrial waste.
  - o Additional EPA research funds will be used to expand the demonstration of promising pollution prevention and waste minimization technologies. EPA will vigorously enforce environmental laws restricting waste disposal.
  
9. Fostering International Cooperation on the Environment: The President will ensure that U.S. will take a leadership role in seeking increased international involvement in addressing environmental issues.
  - o The President will convene an international conference on the environment and will direct the Treasury Department to promote environmental considerations as a factor in lending decisions of multilateral development banks.

EPA Administrator Bill Reilly and Interior Secretary Manuel Lujan will work with the President to make sure that our nation remains America the beautiful.

2/9/89

## TALKING POINTS

### CHILD CARE

The President has proposed a comprehensive child care initiative to strengthen families and expand the ability of parents to choose the child care that is best for them.

#### 1. The President's proposals include:

- o Creating a new Child Tax Credit of up to \$1000 per child under age four in low-income families in which one or both parents work.
- o Making the Dependent Care Tax Credit refundable.
- o Providing a \$250 million increase for Head Start funding.
- o Examining barriers to employers obtaining necessary child care liability insurance.

#### 2. Fundamental principles:

- o Child care assistance should not discriminate based on the type of care selected.

Parents should be free to select care from relatives, neighbors, churches, schools, employers or other sources, without having Federal aid dependent on a particular choice.

The President believes that a family's choices for their children should be broadened with a tax credit and enhanced Head Start Program -- not constricted by Federal licensing or standards that raise child care costs and limit options like reliance on grandmothers or other relatives or neighbors.

- o Child Care assistance should not discriminate against any families with young children.

Assistance should be available to families where both parents work and to families where one parents stays home to care for children.

Child Care, Page 2

- o Child care benefits should be directed to the most needy.

Lower income families should receive more benefits than wealthy families. Tax credits must be fully refundable if at least one parent is employed so that poor people who pay no income tax will still receive weekly or bi-weekly benefits. As deficit pressures reduce, however, the credit will be expanded to other income groups as well.

- o All child care funds should be paid directly to parents.

Using tax credits and deductions eliminates the need for unnecessary administrative expense.

The President will look to the Secretary of Labor, Elizabeth Dole, to take the lead on implementing his plan of broadening choices for families.

#

2/9/89

## TALKING POINTS

### EDUCATION

The President has proposed a series of new education initiatives to strengthen and encourage greater excellence throughout our education system. His initiatives are built upon four key principles, which represent his determination to follow through on his mandate to be the "Education President."

1. Excellence and success in education should be recognized and rewarded.
  - o Merit Schools: This initiative provides recognition of schools whose students make significant educational progress over time. For FY 90, \$250 million is requested, with growth projected to \$500 million in FY 93.
  - o Teachers' Awards: The President's Award for Excellence in Education (\$5,000 cash) will be presented to top teachers in every state.
  - o National Science Scholars: Outstanding high school students in mathematics and science -- each selected by a Congressman, Senator, or the President -- will receive up to \$10,000 annually for four years in scholarship awards.
  - o Experiments for Educational Achievement: The pursuit of excellence requires experimentation, innovation, and better data; support will be provided to the best innovators with the best ideas.
  
2. Federal funding should be targeted to those who need it most.
  - o Merit Schools: This initiative provides recognition of schools whose students make significant educational progress over time. Special emphasis will be placed on schools enrolling substantial numbers of disadvantaged students who show significant educational progress.
  - o Historically Black Colleges and Universities: A special fund of \$60 million -- over four years -- will be developed to build, through matching grants, the endowments of Historically Black Colleges and Universities.

3. Choice and flexibility -- for educators, parents and students -- are important to educational reform and to achieving excellence.
  - o Magnet Schools: An annual fund of \$100 million in new appropriations is requested to assist in the creation and development of magnet schools which offer students and parents enriched educational choices.
  - o Alternative Certification for Teachers and Principals: This initiative will assist those states interested in developing or enhancing programs to bring individuals with excellent subject area knowledge into the classroom, and proven managers into school management.
4. Greater accountability is needed in the education system to assure that students are actually receiving the highest quality education. Success should be rewarded; programs which do not work should be changed.
  - o Accountability in Education Programs: The Secretary of Education will review the Federal education programs and implement improvements in accountability systems. The Federal government should be a model in assuring that its programs are successful.

Secretary of Education Lauro Cavazos will be working with the President to implement these initiatives.

#

2/9/89

## TALKING POINTS

### HOMELESSNESS

The President proposed a forceful response to the tragedy of men, women, and children living without homes with a request not only for full funding of the McKinney Act, but for a new \$50 million matching program.

1. The President's budget request fulfills his pledge to fully fund the McKinney Act.
2. The programs supported through the McKinney Act address the needs of several different groups of homeless including:
  - o the mentally ill
  - o alcohol and drug abusers
  - o unemployed individuals
  - o families with children
3. Beyond McKinney, an incremental \$50 million is requested for a new matching program, in partnership with state and local agencies and not-for-profit and volunteer organizations.

The program will address the many facets of the homelessness problem, responding to the most promising local solutions for local problems.

4. Secretary of Housing and Urban Development Jack Kemp will -- working with states, localities, non-profit organizations, and volunteers -- develop new ideas and new approaches and lead an energetic effort to combat homelessness.

#

TALKING POINTS -- FOR INTERNAL USE ONLY

THE BUSH AGENDA

The new Administration has begun, aggressively setting its priorities and dealing decisively with the most pressing issues. The President has, in a very brief period of time, addressed the very serious problem of the Savings and Loan crisis; presented a detailed budget proposal to the Congress; taken a substantial foreign policy trip to the Far East, meeting with leaders of 19 nations; and sent his Secretary of State to review NATO policy with European leaders and discuss relations with the Soviet Foreign Minister. He has appointed more personnel to his Administration than the previous administration had at this point.

In addition to the work he has already accomplished, President Bush has set an agenda for this country. We have elected a leader to bring us into tomorrow, and leadership is the ability to see the shape of things to come, to prepare for the 21st Century world.

What has made this nation great is that the American people are an entrepreneurial people, at our best when we are challenged to look into the future. The President's agenda is to confront the emerging problems of the future today.

By the year 2000, we will experience change in all sectors of our society -- changes in our families, in our workforce, in our technology, in our economy. Some call it the Dynamic Society.

Change is throughout the world: The balance of power in Europe, the rise of regional powers in Asia, the increasingly global economy, the much-debated nature of reform in the Soviet Union. These are the areas which will alter the world. These are not "minor" issues, which is why the President has requested a comprehensive foreign policy and defense strategy review.

Keeping our economy strong is the key to managing change successfully. The burden of the federal deficit, if not reduced, will sap our strength slowly. That's why the President has put forth a detailed budget which addresses our most urgent priorities while slashing the deficit by more than 40% this year. He's working to keep taxes low, and keep big government off the backs of American businessmen and entrepreneurs. More Americans are at work today than ever before, and that's good for the country and for the world.

The changing nature of American society is putting more and more pressure on the family. President Bush wants to give parents -- not government -- the power to seek the best and safest environment for their children. He has proposed a child-

care plan that combines tax credits with private-sector resources to provide parents with choices.

Of particular importance to the family -- and to the nation -- is the strength of our schools. If we are to enter the 21st Century in a position of leadership, we must realize now that education is our most enduring legacy. We must revitalize and restore the system bequeathed to us; to ensure American education is second to none. The President has made a number of proposals to work toward this goal, because a poor education system tears at the heart of our competitive ability.

America is being paralyzed by the threat of drugs. This poison is spreading into our schools, businesses and homes, and if we do not stop it, we will be crippled as a nation very soon. It threatens both our economic growth and our standing in the international arena -- by endangering our educational system, our competitive edge internationally, our very way of life. Violence in the streets is stuffing out too many young lives. The killings must stop, and the addiction must end.

Each of us is concerned about the environment, because our handling of the world in this century will affect our standing in it during the next century. We must work toward making the world safe and clean. Problems with nuclear waste disposal, the depletion of the ozone layer, the deforestation of the Third World, the destruction of our parks and wetlands are all tremendous issues with few quick and easy answers. The President is focusing on the long-range solutions to the pressing problems that face us today, and the American people must do so too.

The problems that face us are enigmatic, but none is as puzzling as that of homelessness. The sight of Americans huddled on park benches and steam grates is an affront to the American Dream -- and an offensive reminder of our inability to solve the problems at the root of this. We must seek a solution to homelessness, and not forget the long road that lies ahead.

Like a wheel with many spokes, these issues spring out from a central hub. At the center is the peace and economic growth which support all else, and each spoke -- fighting drug abuse, improving education, building a better environment, devising a competitiveness strategy, keeping our defenses strong -- allow the wheel to move forward on the road to the future.

President Bush is a leader for the future. He has outlined his priorities for the nation, together we can set a course for America as we enter the next century.

THE WHITE HOUSE

Office of the Press Secretary

---

EMBARGOED FOR RELEASE  
AT 9:00 PM (EST)  
THURSDAY, FEBRUARY 9, 1989

**PRESIDENT BUSH'S AGENDA: BUILDING A BETTER AMERICA**

FACT SHEET

Less than three weeks into his Presidency, President Bush addressed a Joint Session of the Congress and outlined a comprehensive agenda for building a better America. The President's Message is accompanied by a supplementary discussion of plans and proposals entitled Building a Better America. Together, the Message and the 193-page supplement describe the President's priorities and approach.

The President outlined a realistic plan that establishes clear priorities and meets the Gramm-Rudman-Hollings budget targets, without raising taxes. While dealing with problems from the past (the Savings and Loan crisis and nuclear clean-up), and meeting tight fiscal constraints, the President's priorities nonetheless focus attention on investing in America's future.

The President's agenda has six basic parts -- each of which is summarized below:

1. Restoring Fiscal Balance
2. Advancing Priorities for Growth and Competitiveness
3. Ending the Scourge of Drugs
4. Making a Kinder and Gentler Nation
5. Managing America's Government Better
6. Securing a More Peaceful World

In seeking to advance his agenda, the President again extended his hand to the Congress in a cooperative bipartisan spirit. He repeated his observation that "the people did not send us here to bicker," emphasizing that Americans want to see their elected leaders produce. To this end, he offered to have members of his Administration negotiate in good faith -- day and night if that is what it takes -- in order to reach bipartisan agreement with the Congress.

MORE

## I. RESTORING FISCAL BALANCE

### A. Ordering Budget Priorities

The President's budget plan adopts a common-sense approach to budgeting. It no longer measures changes against the Wonderland concept of "current services baseline" but rather from this year to next year. In this approach the starting point is the large revenue growth expected in FY 1990 over 1989 -- almost \$82 billion. This growth is then allocated to a reduction of the deficit by 40 percent, required increases in such areas as interest on the national debt, and to the President's priorities and initiatives.

### B. Budget Process Reforms

The President's budget process reform proposals include:

- o A Balanced Budget Constitutional Amendment, to end the chronic affliction of spending that exceeds revenues and to assure future fiscal responsibility.
- o A Line Item Veto, a tool possessed by 43 state governors, to help the President control spending.
- o Enhanced rescission authority that would require an up-or-down vote by Congress on Presidential rescission proposals.
- o Biennial Budgeting, to make the budget process easier and more efficient and encourage longer term policy development by the President and Congress.
- o Enactment of Individual Appropriations bills, to avoid crisis-born, thousand-page omnibus "continuing resolutions."
- o A Joint Budget Resolution, requiring approval of the President, to guarantee early negotiations and make it more likely that the resolution would ultimately be reflected in law.
- o Enforcement of the Budget Resolution as a guideline for legislative action, ending differing policy interpretations.
- o Credit Reform, to identify the true subsidy cost of direct and guaranteed loan programs.

- o Heightened Attention to Capital Expenditures without changing the measurement of a budget surplus or deficit.
- o Longer Horizons, to assure that major budget problems such as FSLIC insolvency are anticipated.

## II. ADVANCING PRIORITIES FOR GROWTH AND COMPETITIVENESS

### A. Investing in R&D and Long Term Productive Capacity

The President's initiatives to assure the continued economic health of future generations include:

- o Encouraging Long-Term Investment by reducing the capital gains tax rate to a maximum of 15 percent for long-held assets and eliminating capital gains taxes for taxpayers with adjusted gross incomes below \$20,000 a year.
- o Elevating Science and Technology in national policy-making by making the White House Science Advisor an Assistant to the President, reporting directly to the President.
- o Enhancing the Federal investment in basic research by increasing research programs of the National Science Foundation and the Department of Energy by \$360 million.
- o Maintaining America's leadership in space. The President proposes a 22 percent increase in funding for the National Aeronautics and Space Administration, providing for the continued development of Space Station Freedom and a build-up of the flight rate of the space shuttle. Viable commercial space initiatives are also encouraged.
- o Making the Research & Experimentation (R&E) tax credit permanent and improving R&E expense allocation rules to encourage continued growth of private domestic research and experimentation.

- o Stimulating Domestic Oil and Gas Production and reducing dependence on foreign oil by:
  - providing tax incentives for exploratory drilling costs; and
  - urging decontrol of natural gas.
- o Constructing the Super Conducting Supercollider which will be used by research scientists around the world and will assure our technological leadership in high-energy physics.
- o Expanding Biomedical Research. The President will propose a seven percent increase in funding for basic research and will encourage new partnerships with industry for applied research.
- o Promoting International Competitiveness. The President will create a Council on Competitiveness to be chaired by the Vice President.
- o Improving Opportunities for Disabled Americans. The President will establish a policy working group of senior Administration officials to recommend changes needed to promote self-sufficiency and to rationalize services across government programs.

B. Investing in People: Education

Educational achievement of our Nation's children is a major determinant of future productivity and our competitive position in the world. The President will help to reward success through public recognition and financial rewards for those schools, students and teachers who have excelled. The President's initiatives include:

- o Rewarding Successful Schools whose students demonstrate substantial progress with a new program starting at \$250 million and rising to \$500 million. The awards can be used by the winning schools for any educational purpose.
- o Recognizing Superior Teachers across the country with public recognition and cash awards to provide incentives for excellence and to demonstrate that highly motivated educators will not go unnoticed.

- o Establishing a National Science Scholars Program to foster a greater commitment to science and mathematics education. Scholarships and opportunities for hands-on experience in federal research laboratories will be provided to top high school students across the country.
  - o Creating a new \$100 million addition to the magnet schools program to encourage curriculum innovation and provide better opportunities for motivated students.
  - o Helping states develop alternative certification systems to remove unnecessary barriers so that talented and motivated people can become teachers or principals.
  - o Providing additional Federal funds to increase support for experimentation and innovation in the schools and to assure timely distribution of knowledge about what works in education.
  - o Providing \$60 million over four years in new Federal matching grants for Historically Black Colleges and Universities to create incentives for increased endowments, to assure continued progress of these important institutions.
  - o Assuring proper accountability in Federal education programs to provide for the best use of tax dollars and the achievement of educational goals.
- C. Expanding Economic Opportunities: Enterprise Zones
- o Create Enterprise Zones to expand economic opportunity for economically distressed areas, using tax incentives and regulatory relief to stimulate growth.

### III. ENDING THE SCOURGE OF DRUGS

The President believes in zero tolerance of illegal drug use. No amount of illegal drug use is acceptable to the President. Action on multiple fronts is needed. The President is requesting \$6 billion in FY 1990 to fight drugs, including nearly \$1 billion in new outlays for drug education,

treatment, and enforcement, and will support stiffer drug penalties. The Director of National Drug Control Policy will develop a national drug control strategy.

A. Educating the Young: Drug Prevention

- o Funding for the Drug-Free Schools and Communities Act will be increased.
- o A new \$25 million Emergency Urban Grants program is created for the special needs of those urban school systems with the worst drug problems.
- o A new \$35 million community partnership grant program will also be added to stimulate more community involvement in drug prevention activities.

B. Reclaiming Lives with Improved Drug Treatment

- o Funding for drug abuse treatment will be increased 18 percent, including new grants to reduce the waiting periods for admittance into drug treatment programs.
- o A grant program will be created to assist areas of the country identified as having the greatest need for more treatment for the indigent, disadvantaged, youth and expectant mothers.

C. Going to the Source: Drug Law Enforcement

- o Substantial funding increases are requested for the Drug Enforcement Agency, the Customs Service, the State Department's Bureau of International Narcotics Matters, and the drug interdiction budget of the Coast Guard, to strengthen inspection, interdiction, intelligence efforts and crop eradication programs.
- o The Justice Department will receive funding for grants for local law enforcement agencies and for additional U.S. Attorney prosecutorial staff, as well as for FBI investigations and local law enforcement training.

D. Strengthening Our Laws: Drug Penalties

- o The President will call for strict application of the tough new penalties in the Anti-Drug Abuse Act of 1988.
- o Drug offenders will be a top prosecuting priority of U.S. Attorneys.

#### IV. MAKING A KINDER, GENTLER NATION

##### A. Protecting the Environment

The President proposes a nine-part program to protect the environment.

- o Strengthening Our Commitment to Cleaner Air: The President will propose legislation to reauthorize the Clean Air Act, ensuring progress toward meeting air quality standards in the Nation's major cities. The President will ask Congress to establish an acid rain program that will obtain significant SO<sub>2</sub> and NO<sub>x</sub> emission reductions, balancing competing interests, by specified dates. The President will work to achieve the worldwide ratification of the historic Montreal Protocol.
- o Preserving and Expanding Recreation Lands: America's parks and open spaces are national treasures. The President proposes \$200 million for new land acquisitions through the Land and Water Conservation Fund, reversing the policy in the January budget of essentially no new acquisitions.
- o Developing Offshore Oil and Gas While Protecting the Environment: The President believes that oil and gas development is necessary; however, drilling will be permitted only in an environmentally sound manner. The President will delay leasing in three sensitive areas pending resolution of environmental concerns by a task force he will establish.
- o Speeding Hazardous Waste Cleanup: A reinvigorated Superfund program is the key to resolving the Nation's hazardous waste problems. Polluters unwilling to clean up their wastes will pay triple damages; cost recovery cases will be pursued sooner to end the incentive for delay; and EPA will use its emergency cleanup authority more often.
- o Fighting Ocean Pollution: The President is committed to end ocean dumping by the end of 1991, and EPA will issue no new permits for ocean dumping of sludge or industrial waste. The FBI and EPA will be instructed to prosecute illegal dumpers of medical waste and new penalties against medical waste dumpers will be sought.
- o Preserving Our Wetlands: The national goal will be no net loss of wetlands. An interagency task force will be established to ensure that all agencies involved in wetlands preservation work toward that goal, and there will be firmer enforcement of present laws aimed at saving wetlands.

MORE

- o Enhancing Water Quality: The President proposes an increase in funding of \$64 million for coordinated Federal water quality programs in four agencies. Farmers will be aided in their efforts to avoid groundwater contamination from pesticides and fertilizers.
- o Reducing the Growing Volume of Waste: The President is committed to exceeding EPA's current goal of 25 percent reduction in waste. This is primarily a local problem, but Federal assistance will be expanded, including developing a database on successful waste reduction and recycling techniques.
- o Fostering International Cooperation on the Environment: President Bush will promote international cooperation on environmental issues, including global warming, preservation of the oceans, and the loss of tropical rain forests.

B. Combatting Homelessness

- o The President is committed to addressing forcefully -- through public and private action -- the tragedy of men, women, and children living without homes. The President's budget fulfills his pledge to fully fund the McKinney Act at \$746 million in FY 1990, and over-all funding directed at homelessness will increase 70 percent to \$1 billion.
- o Beyond McKinney, an incremental \$50 million will be requested for a new matching grant program, in partnership with state and local agencies and not-for-profit and volunteer organizations. This program will address many facets of homelessness, encouraging and supporting the most promising local solutions for the problem.

C. Enhancing Parental Choice in Child Care

The President proposes a four-part initiative, a key element of which is to preserve the incentive for parents to make their own decisions about what sort of care is best for their children. The cost of the initiative in 1990 is \$330 million, rising to more than \$2.5 billion by 1993.

- o Enhancing Parental Choice in Child Care: The President proposes a new, refundable tax credit of up to \$1000 for each child under four in low-income families, allowing families to select from a wide range of child care options the arrangement that best suits their needs.

- o Making the Existing Dependent Care Credit Refundable: For lower income families that do not pay tax, the present credit is of no value. Under the proposal it would be made refundable.
- o Expanding Head Start: A \$250 million increase in the Head Start program will allow up to 95,000 additional four year-olds to get a better start in life.
- o Examining Barriers to Liability Insurance: The difficulty encountered by employers in obtaining liability insurance may prevent them from providing on-site child care. The President has directed the Secretary of Labor to determine what obstacles stand in the way of purchasing such insurance, and report back to him by the end of this year.

D. Increasing Adoption

The President proposes to facilitate adoption by restoring the tax deduction for unreimbursed one-time costs of adopting special needs children and doubling it to \$3,000. A reduction in the January budget for the Adolescent Family Life Program is withdrawn, and there is increased funding for several adoption-related programs.

E. Involving Youth in Service: YES to America

The President is convinced that increasing the involvement of young Americans in voluntary programs will not only reduce many national problems but will also instill a life-long spirit of service. He will propose legislation and funding for the establishment of the YES to America Foundation.

F. Responding to HIV/AIDS

Solving the problem of AIDS is the highest public health priority of the Bush Administration. The President proposes an increase of \$313 million in AIDS funding in 1990, devoting more money than ever before for research, education, testing, and counselling.

G. Improving Medicaid for Pregnant Women, Infants, and Children

The President is committed to improving health care for lower-income Americans by focusing first on those most at risk: pregnant women and their children. To accomplish this, the Administration is proposing to further expand eligibility for Medicaid beyond expansions recently enacted. The proposal for Medicaid savings in the January budget is withdrawn.

H. Protecting Social Insurance and Providing for Those in Need

Social Security will be fully funded, with an estimated 3.6 percent Cost of Living Adjustment in January 1990. Other social insurance benefit programs, such as Unemployment Compensation and Veterans Service-connected Compensation, are also fully funded. No cuts are proposed in means-tested entitlement programs.

V. MANAGING AMERICA'S GOVERNMENT BETTER

A. Providing for National Security While Increasing Efficiency

The President proposes to freeze defense budget authority for one year in real terms, followed by a resumption of real growth of one percent in 1991 and 1992 and two percent in 1993. The President will accept the freeze in 1990 only on condition that the savings be allocated to his priority initiatives, and that the defense spending level be part of a comprehensive budget agreement that meets the Gramm-Rudman-Hollings targets without a tax increase and includes budget process reforms.

The President has ordered a review by the National Security Council of defense policies and strategies, and has charged the Secretary of Defense with improving the defense procurement process. The President has also asked the Congress to do its share by streamlining its own procedures of oversight and budgeting for defense.

B. Attending to Problems from the Past

- o Reforming the S & L Sector. A comprehensive plan for dealing with insolvencies in the thrift industry was announced February 6. It involves a mix of industry and taxpayer funds but will not result in greater net budget outlays than contemplated in the January budget, except in FY 1989. The total cost to the taxpayer over ten years is estimated at \$39.9 billion.
- o Protecting Safety and Environment While Modernizing Nuclear Weapons Plants. The President proposes an increase of \$1.1 billion in budget authority in FY 1990 for nuclear safety, environmental cleanup and modernization, 42 percent above 1989. Outlays would rise \$700 million.
- o Ensuring Excellence and Safety in Aviation. Budget authority for the FAA will increase by almost \$1.2 billion in 1990, providing for hiring more air traffic controllers and a 41 percent increase in the program of modernization of the air traffic control system.

C. Transferring Assets to the Private Sector

The Administration intends to transfer to the private sector activities of government that can be best performed there. These include the naval petroleum reserves, helium processing facilities and the assets of two of the seven electric power marketing administrations. In addition, there will be sales of oil and gas leases on the outer continental shelf and in the Arctic National Wildlife Refuge. Three lease areas on the outer continental shelf off California and Florida are withdrawn from proposed sale pending further assessment of potential environmental damage.

VI. SECURING A MORE PEACEFUL WORLD

- o The President is committed to building ever-stronger partnerships with United States allies and friends, who are our first priority.
- o As the result of Western strength and solidarity, we enjoy the prospect of more constructive relations with the East. The President is ready to work with the Soviet Union in many areas, to build on previous significant progress. The agenda for the future includes addressing regional conflicts, arms reduction, human rights and bilateral exchanges, as well as many new transnational challenges, including terrorism, narcotics and the global environment.
- o There is a new appreciation of the benefits of economic freedom -- in developed countries, in developing countries and even in the Communist world. It is increasingly realized that free markets and private initiative are the engine of prosperity and growth. American policies will build upon this awareness and the profound changes it is likely to bring in much of the world.
- o The President and Secretary of State are pledged to consult and collaborate with Congress as appropriate. History shows that foreign policies succeed when there is a spirit of bipartisanship and cooperation.
- o The President has instructed the National Security Council to review the range of foreign policy and national security challenges facing the nation. The NSC will recommend to the President within 90 days options for United States policy.

BUSH BUDGET SUMMARY

RECEIPTS, OUTLAYS, AND DEFICITS  
(In billions of dollars)

	1989	1990	1991	1992	1993
Receipts .....	979.3	1,065.6	1,147.6	1,218.6	1,286.6
Outlays, excluding asset sales .....	1,149.5	1,160.4	1,211.8	1,249.2	1,284.1
Deficit, excluding asset sales .....	170.2	94.8	64.2	30.6	-2.5
G-R-H targets .....	136.0	100.0	64.0	28.0	0.0
Deficit, including asset sales .....	163.3	91.1	61.9	26.8	-3.8

# # #

March 7, 1989

**TALKING POINTS -- AGENDA**

- As I said in the Inaugural Address and the Joint Message to the Congress, I have laid out an agenda that follows the general theme of investing in America's future, and I am very pleased with the first six weeks' progress in the Administration.
  - A. S&L Bailout
  - B. The Budget
  - C. Foreign Policy and Defense Policy reviews
  - D. Asia Trip
  
- These represent the three major agenda items for putting our house in order. They represent a strong and fast start that will carry us well into the year.
  
- When we look at America's future, there are a number of other areas we have identified for new initiatives that position this country for the next decade.
  - A. Environment: We have already proposed to phase out chlorofluorocarbons. Other initiatives will be forthcoming.
  
  - B. Drugs: With the anticipated confirmation of Bill Bennett and the trip to South America by Attorney General Thornburgh, we have begun the process of instituting a new war on drugs in this country.
  
  - C. Ethics: Our Commission on Ethics is nearing the completion of its work and out of that will come a new legislative package.
  
  - D. Education: This is one of the most important areas for me personally. We are looking at a range of activities that will redefine our educational agenda in this country.
  
  - E. National Service: The Organization to Pursue National Service Objectives is now being put together in the White House. We are defining objectives and soon will be reaching out to various segments of American society to foster National Service objectives.
  
  - F. Homeless: Jack Kemp has already begun an aggressive effort at HUD to identify housing objectives and policy changes that we might undertake to help the homeless, and the general housing situation in this country.

G. Child Care: Child care is the most specific and narrowly defined of these agenda items. But it also is the most broadly applied in terms of impact on our families and our Nation. I have a specific proposal for child care and we will be pursuing it vigorously with the Congress.

-- Reorienting our society to compete in the world economy, in other words investing in America's future, is an agenda that I believe is of paramount importance at this stage in our history, and I am very pleased with the operations of our staff in helping put this plan together so early in my Administration.

## SIXTY DAYS OF THE BUSH ADMINISTRATION

The new Administration has begun tackling the tough issues and addressing the most urgent priorities facing the nation. The first sixty days progress includes:

1. A comprehensive budget proposal to the Congress
2. A plan to rescue the Savings and Loan industry
3. Conducting foreign policy and defense strategy reviews
4. Consultations with the leaders of 19 nations while demonstrating our continual status as a Pacific power
5. Report of the President's Commission on Federal Ethics Law Reform
6. Proposal for raising the minimum wage to \$4.25 coupled with a six month training wage.

These actions represent a strong start. The Administration is moving quickly on the personnel front, already announcing more appointments than previous Administrations had at this time. The legislative calendar is starting to take shape as well -- development of initiatives on education, environment and other critical issues are underway.

President Bush has set an agenda for this country. He is orienting us as a nation toward the future -- building a better America -- keeping America strong and at peace. It is an agenda that seizes this special moment in our history. 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.

### THE ECONOMY

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

- More Americans are at work today than ever before
- The economy is sound without the threat of resurging inflation
- The President has put forth a detailed budget which addresses our most urgent priorities while slashing the deficit by more than 40% this year
- Keeping taxes low is essential to continuing the economic expansion

### EDUCATION

If we are to enter the 21st Century in a position of leadership, we must realize now that education is our most enduring legacy, and an inadequate education system leaves the nation ill-prepared for the opportunities and challenges ahead. The President has requested:

- Programs to reward excellence in teachers and students
- An annual fund of \$100 million in new appropriations to help create magnet schools

- A new program to encourage "alternative certification" of teachers
- A new program of National Science Scholars to encourage math and science studies

#### FIGHTING DRUG ABUSE

America is being paralyzed by the threat of drugs. With the confirmation of Bill Bennett and the trip to South America by Attorney General Thornburgh, we have begun a new war on drugs in the country. The President believes a four-pronged approach is key: education, rehabilitation, interdiction and enforcement. Recent proposals include:

- A requested \$6 billion in new funding for 1990 to fight the drug war
- Increasing drug education of our youth
- Supporting our law enforcement personnel on the front lines
- Supporting the death penalty for drug kingpins who commit drug-related murders

#### THE ENVIRONMENT

The President is focusing on long-range solutions to the pressing problems of the environment with nuclear waste disposal, the depletion of the ozone layer, acid rain, global environmental damage and the encroachment of our public lands. The Administration has already proposed:

- The phasing out of chlorofluorocarbons
- A provisional ban on the exporting of hazardous waste

#### CHILDCARE

The changing nature of American society is putting more and more pressure on the family. President Bush wants to ensure that parents -- not government -- have the power to choose the best and safest environment for their children. The President has proposed:

- A child-care plan that combines tax credits with private-sector resources to provide parents with choices

#### THE HOMELESS

The sight of Americans huddled on park benches and steam grates is an affront to the American Dream. HUD Secretary Jack Kemp, has already begun an aggressive effort to address the homeless issue.