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Series: Snow, Tony, Files
Subseries: Subject File, 1988-1993

OA/ID Number: 13893
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Folder Title:
[Domestic Political, 1989-1991]

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Paper	Re: Some Thoughts Regarding a Vice Presidential Address on Domestic Policy. (3 pp.)	n.d.	~~P-5~~	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Snow, Robert Anthony (Tony)
Subseries: Subject File
WHORM Cat.:
File Location: [Domestic Political]

Open on Expiration of PRA
 (Document Follows)
 By cal (NLGB) on 11/15/06

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Re-review Case #: 2005-0485-S	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
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 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]

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T. Harvey.

called 3/14
M. Albrecht

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SOME THOUGHTS REGARDING A VICE PRESIDENTIAL ADDRESS ON
DOMESTIC POLICY

● Pundits, pols and pusillanimous Democrats all carp that a victorious George Bush remains vulnerable on the "vision thing" ie. domestic policy. They claim that after Desert Storm, Republicans will wave the bloody shirt while they will turn the nation's attention slowly to res domestica...they can't wait.

● But among the policies tested, and proven in the Persian Gulf are several that have direct bearing on the domestic agenda, and we should neither hesitate nor wait to make the point.

● First, is the policy of an All Volunteer Force initiated by the Nixon administration. It's salient features are:

- choice
- merit based opportunity
- market based compensation
- strictly enforced color blindness
- competitive strategy (invest/ utilize people and technology on the basis of marginal payoffs)
- tough training where teachers and students are rewarded and penalized on the basis of performance on standardized measures of knowledge.

They Sell us short...

- Democrats have consistently criticized this approach as unfair and unsuccessful. They claimed AVF forces would be substandard. They protested that the poorest would be impressed to protect the richest. Racial tensions would undermine readiness. The forces would be mercenaries who wouldn't/couldn't fight.

- They preferred a draft (many are on the record)...some want to nationalize our youth through a national service program that would encompass both military and civilian conscription.

- They prefer quotas to merit based opportunity.

- They reject choice in education and job opportunity.

- The Democrats were wrong on gulf policy and they are wrong on domestic policy.

- We learned alot in Desert Storm...we learned that an All volunteer force works, works very well indeed...and we learned that the principles that underwrite that policy work as well.

THESE ARE THE SAME PRINCIPLES THAT GUIDE OUR DOMESTIC POLICY INITIATIVES...

-EDUCATIONAL AND VOCATIONAL CHOICE

-MARKET DRIVEN INCENTIVES

-EQUAL OPPORTUNITY NOT QUOTAS

-INDIVIDUAL RESPONSIBILITY AND EMPOWERMENT

● THEY WILL WORK AS WELL FOR THE AVERAGE AMERICAN, BLACK AND WHITE, AS THEY DID FOR OUR FORCES IN THE GULF.

● DEMOCRATS OFFER THE DOMESTIC VERSION OF A DRAFT...

Lack faith-
use compulsory
methods!

THE DIFFERENCES BETWEEN REPUBLICANS AND DEMOCRATS ON SOCIAL POLICY

This memorandum lists several ways in which the Republican approach to social policy differs from the Democratic approach. In each area, we can frame the debate so as to get the majority of voters on our side.

In general, we should identify the Republican Party with what Jim Pinkerton calls "The New Paradigm," a model of thought that stresses innovation and empowerment. We should identify the Democrats with "The Old Paradigm," which emphasizes paternalistic government control.

There are a number of exceptions to the picture drawn below: on any given point, there are Democrats who embrace the New Paradigm. For instance, Democratic Governor Rudy Perpich of Minnesota support school choice. By and large, however, these distinctions do mark the overall differences between us and them.

1. Market Forces.

?
The New Deal generation grew up with the Depression and thus came to think that society's biggest problem is market failure. The post-New Deal generations grew up with the disaster of the Great Society. Although they are hardly blind fans of business -- witness Nader's popularity -- they distrust big government's ability to manage the economy. For voters in their 30s, the failure of big government became personal and tangible with Carter's double-digit inflation.

then or now?
The Democrats believe in administering prices and terms of trade. Republicans believe in market forces. This does not mean retreating to *laissez-faire*, but instead devising market-oriented, non-bureaucratic solutions to public problems.

Democratic Way

Rigid command & control
environmental regulations

Urban renewal: gutting
neighborhoods and warehousing
the poor

Protectionism

Republican Way

Market-based environmental
policies (e.g., emissions trading)

Enterprise zones: building
neighborhoods and providing
opportunity

Free trade

2. Individual options and empowerment

The New Deal generation grew up worrying about economic survival. They did not have the luxury of choosing among a wide array of foods, garments, etc. The post-New Deal generations grew up expecting more than "one-size-fits-all."

The Democrats believe in government monopolies, in which bureaucrats decide what goods and services to provide the people. Republicans believe in giving people a wider range of options, and in helping them get the means to exercise those options.

Democratic Way

Mandatory school assignments

Child care bureaucracies

Traditional public housing

Republican Way

School choice

Family and religious-based child care

Tenant management and ownership;
housing vouchers

3. Decentralization

From the 1930s to the 1960s, Washington, DC was the hometown of positive change. The state capitals were dominated by backward-thinking hacks. Today, innovations are coming from Sacramaneto and Springfield. Washington is the home office of reaction, not action.

Democrats believe in running things from Washington. Republicans believe in dispersing authority to the level closest to the course of authority.

Democratic Way

Centralized control of schools

Transportation plans micro-managed from Washington

Republican Way

Control of schools by parents and localities

Encourage state and local experiments in toll roads and telecommuting

4. What Works: Quality, Not Quantity

In 1986, Lee Atwater told a Cato Institute conference: "Bigger is not better anymore -- better is better. That's one of the things that the [1984] Hart campaign understood very clearly ... [T]here is a new drive for true excellence in this country that's very important." Both as consumers and voters, Americans of the 1990s are seeking value.

Democrats emphasize input: they judge how well we do by how much we spend.
 Republicans emphasize outcomes, judging by the quality of results instead of the
quantity of dollars. Democrats see paperwork as an end in itself. Republicans see it as
 an obstacle to progress.

Democratic Way

Appraising education by
dollars spent

Automatic promotion of
bureaucrats

Credentialism

Republican Way

Appraising education by performance
testing

Competence testing

Alternative certification of teachers

5. Accountability

The logical consequence of big-government paternalism is that no one is accountable
 for his own behavior. All problems are the fault are a vague "society." The logical
 consequence of individual opportunity is that rewards and punishments should go to
 those who deserve them.

Democratic Way

Drug abuse is an illness:
emphasis on treatment

Crime is society's problem:
rehabilitation and furloughs
are the answer.

Republican Way

Drug abuse is a crime: while not
neglecting treatment, emphasis on user
accountability

Crime is caused by criminals:
the answer is tough punishment,
including the death penalty.

indiv responsibility

This is not censorship, this is choice. Deliberate moral choice. And people who are concerned about what Michael Novak called "the ecology of symbols and imagery in our own home" ought not to be intimidated by the ridicule of sophisticates from speaking about their concern in public ways. That goes for private citizens and public officials.

BULLETIN: How would you respond to the criticism that what you have just said is not "politically correct."

HORNER: No, it's not. I am not politically correct. I can react on two levels to that. One would be to say again why it is necessary to speak out. Another is to say that we are experiencing moral confusion and want of courage on a large scale that will come home to roost, that what we are seeing in our poor children and in our elites that is so bad for our future that anyone who does not become radically politically incorrect on this subject -- and soon -- will be held accountable a decade from now by their own children for the world we have created.

LAST LAUGHS:

- o David Letterman:** Ladies and gentlemen, you think you've got problems? Listen to this. President Reagan calls up the state of California, and he asks if he can get permission to be buried on the grounds of the Ronald Reagan Library in the Simi Valley. Now to me, boy, this is really a sign that maybe your memory is on the blink, if you think you're dead. (NBC Late Night With David Letterman, 2/22/91)

- o David Letterman:** Top Ten Things That Will Get You Kicked Out Of the Republican Guard
 - 10) Giggling during story time.
 - 9) Asking commander during inspection, "Are those Bugle Boy jeans?"
 - 8) Forging letter of recommendation from Steinbrenner.
 - 7) Whenever enemy aircraft appears, dropping your gun and screaming like a woman.
 - 6) Wearing "Home of the Scud Missile" boxer shorts.
 - 5) Comments like, "Wow! That Hussein guy is nuts!"
 - 4) Holding membership in B'nai Brith.
 - 3) Showering.
 - 2) Double dating with Arthur Kent.
 - 1) Laughing hysterically as you point to the sky and say, "Hey, look everybody! More B-52s!" (NBC Late Night With David Letterman, 2/22/91)

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-- END OF FAX --

the beltway -- who can get together and hammer out a compromise. One Administration official had criticized the timing of such a summit because, unlike the education summit, which involved governors who had been working on a consensus on educational issues for nearly a decade, no such consensus exists in the health care field. Kasich emphasized that "all the issues are already on the table, and it's a matter of making hard choices. It won't be easy to do things like tell lawyers they can't sue as much anymore." Kasich is concerned that health care reform has been put off too long, and that the price tag for delay warrants the immediate attention of the Congress. "We've got a \$124-billion Medicare budget that is going up 12 percent every year," Kasich said, "and yet we've got hospitals closing and doctors leaving the profession and people not getting care. Inaction is what is beginning to destroy the system."

INSIDE LOOKING OUT:

The second of a two-part interview with Deputy Secretary of Health and Human Services **Constance Horner**. Horner, who served as Director of the Office of Personnel Management from 1985 to 1989, discusses ways in which the government and the private culture can help children and families.

BULLETIN: How can a federal dollar be spent or managed to foster a better environment for infant vitality and child health?

HORNER: Much of the money needs to be directed to simple medical problems. However, I think most people recognize that the problems children are experiencing now are not the result of simple medical difficulties, but of social and behavior choices of their parents. Therefore, federal money that is designed to enhance the health of children needs to be targeted to create an opportunity for change in the lives of adults.

For example, if a parent smokes, and that smoking exacerbates a child's allergy to the point of injuring the child's hearing, we cannot simply direct money to the child's encounter with the ear doctor. We have to devote money to the woman's encounter with her addiction. However, that money will do very little good if it is simply put out there in the form of available programs. It must be accompanied by a strong moral injunction to mothers and fathers and neighbors and local officials to bring to bear a loving judgement and a call to correction upon the person who is, by his or her own behavior, bringing injury to the child. This is true whether the illness is physical or emotional. We need to tell truth here. To use Vaclav Havel's wonderful talismanic saying from his years in the Czech underground: "We must name good and evil." We must not worry anymore about being politically correct when to do so would contribute to the destruction of children.

BULLETIN: What would you say to the criticism that these sorts of problems are largely due to poverty?

HORNER: It is culture more than money that provides the kind of life-giving, community-supporting behavior that produces healthy children. We know that children with two loving parents who stick with them; love, discipline, and challenge them; work hard; and go to church are better off. We know from social science that these traditional things work. It is not just poor children who are suffering the lack of an ordered, wholesome culture. It is middle class and rich children also. We need to tell our children and all television producers that violence is not going to be their daily entertainment fare anymore. We are creating some children for whom sadism is associated with sex because that's what they've seen on MTV; children for whom murder is easy because that's what they've seen on TV. The adult world, in exploring for its own pleasure the outer limits of acceptable behavior, has been indifferent to the impact of that exploration on vastly more vulnerable children. I believe that adults must engage in sacrifice and self discipline -- to forego what are after all base and tawdry forms of entertainment -- for the sake of children.

TX HISTORY: TX has a "no excuse needed" absentee voting period. In those 17 days any voter can vote absentee at a local location. For example, there can be five different local locations in a county -- town hall, court house, post office, super market, donut shop. The No Excuse Absentee voting period lasted from Oct. 17 to today. In the 1988 general election in Texas, about 25% of all the votes cast were cast prior to Election Day. In the March '90 gubernatorial primary, the Williams campaign used the system to its benefit.

TEXAS TODAY: Through 10/30, the TX Secretary of State's office reported that 500,000 voters had already voted; Sec. of State George Bayoud has predicted that fully half of the state's voters will vote absentee (DALLAS TIMES HERALD 11/1). Zack Dawes of the Williams campaign for Gov reports that Victory '90 (subsidized by the state GOP) has placed 500,000 calls to likely absentee voters, and sent mailings to 1.2M likely absentee voters (compared to a reported 800,000 Richards mailing on the Dem side). The GOP list was made up of GOP primary voters and absentees identified by phone banks. HOTLINE sources say that Unity '90, coordinating the Dem effort with mail, field activity and phone banks; the GOTV effort is concentrated in counties with over 65% Dem registration.

*18 SIMPSONS: 2 CARS IN EVERY GARAGE AND 3 EYES ON EVERY FISH
Last night's "Simpsons" on FOX-TV featured Homer Simpson's boss at the nuclear plant, Montgomery Burns, deciding to run for governor when safety violations (discovered when Bart Simpson catches a three-eyed fish in the Ol' Fishin' Hole) risk shutting down the plant. There were some classic lines: When Homer suggests Burns runs, Burns yells, "Get off your soapbox, Simpson! Do you realize how much it costs to run for office?" Homer: "More than any honest man could afford. I bet you could afford it. ... I mean, if you were governor, you could decide what's safe and what isn't." So Burns gets himself a campaign manager, who says, "Here's the problem as I see it: While Governor Bailey is beloved by all, ninety-eight percent of the voters rate you as despicable or worse. ... That's why we've assembled the finest campaign team money can buy. This is your speech writer, your joke writer, your spin doctor, your make-up man and your personal trainer ... [and] the team of investigators: your muckraker, your character assassin, your mudslinger, your garbologist." Task one is the PR problem of the headline-making three-eyed fish, so Burns hits the airwaves with "an actor portraying Charles Darwin," allowing Burns to point out, "If our anti-nuclear naysayers and choose-up-siders were to come upon an elephant frolicking in the waters next to our nuclear power plant they'd probably blame his ridiculous nose on the nuclear bogeyman. ... The truth is, this fish is a miracle of nature with a taste that can't be beat." Governor Bailey holds out, saying, "My worthy opponent seems to think that the voters of this state are gullible fools. I, however, prefer to rely on their intelligence and good judgment" (reporter response: "Interesting strategy") -- but after scenes of Burns railing against taxes, wearing a sombrero, at a construction site and even riding a tank

while wearing a helmet, it's a 50-50% race. Burns' manager: "The voters now see you as imperial and God-like ... But there's a downside to it. The latest polls indicate you're in danger of losing touch with the common man." Thus, an election-eve live television dinner with the Simpsons is planned (Bart: "Cool man -- a media circus"), and impromptu questions are even planted. For Lisa Simpson: "Mr. Burns, your campaign seems to have the momentum of a runaway freight train. Why are you so popular?" But when Marge Simpson -- always a Governor Bailey supporter -- surprises Burns and the camera crews by serving a dinner of the three-eyed fish, a trembling Burns is caught on live television spitting out a bite of this "miracle of nature," destroying his candidacy with headlines like, "Burns Can't Swallow Own Story." But Burns wryly sums up his reaction, to his aide Smithers: "Irony, isn't it Smithers? This anonymous clan of slack-jawed troglodytes has cost me the election, and yet if I were to have them killed, I would be the one to go to jail. That's democracy for you" ("Simpsons" script release; FOX-TV, 11/1).

*19 ROLLING ROLLINS: NRCC "BLOOD BATH" COMING WEDNESDAY?

"In order to assure that [NRCC co-chair Ed] Rollins would be axed, White House Chief of Staff John Sununu [has] persuaded Rep. Don Sundquist [R-TN] to challenge" Rep. Guy Vander Jagt (R-MI), the current NRCC chair (Ralph Hallow, WASH. TIMES, 11/2).

ANTI-ROLLINS: "Ousting Mr. Vander Jagt -- and discrediting Mr. Rollins -- is seen by some of the House members supporting Mr. Sundquist as a way to stop Mr. Gingrich from gaining even more power in the House, a goal with which the White House is not unsympathetic, Bush aides said" (Hosler, 11/2). "Vander Jagt said that he and Bush have been friends ... but that now Bush was 'ticked off' at him. ... Sundquist and Sununu got in touch with each other, GOP sources said. ... Sundquist then announced that he would challenge Vander Jagt for the chairmanship" (Lawrence O'Rourke, ST. LOUIS POST-DISPATCH, 11/2). HOUSTON CHRONICLE's Cragg Hines calls it GOP "civil war": "Sununu and his deputy, Ed Rogers, are seen as Rollins' chief antagonists in the White House" (11/2).

PRO-ROLLINS: Vander Jagt "said yesterday that ... Rollins 'will definitely stay on after the election and for 1992.'" "NRCC officials said ... Rollins has told Vander Jagt that he intends to fulfill his four-year contract" through '92 (Kim Mattingly, ROLL CALL, 11/1). GOP consultant Eddie Mahe wants Rollins to stay (Hallow, 11/2). Rollins "is considered to be allied closely with Newt Gingrich" (Karen Hosler, Baltimore SUN, 11/2).

BUSH'S CLOUT: "Vander Jagt said he politely told Bush that he would not fire Rollins." Vander Jagt: "Absolutely, Ed Rollins will stay. ... He told it like it was. ... The president is not forcing him out" (O'Rourke, 11/2).

KICKOFF: Senior Bush official: "There is clearly going to be a blood bath, starting Wednesday morning" (Hallow, 11/2).

===== POLL UPDATE =====

*21 HOTLINE/KRC: CHRONOLOGY OF SEVEN WEEK BUSH SLIDE
1,004 registered voters were interviewed 10/28-30, margin of error is +/- 3% (S.F. EXAMINER, BOSTON GLOBE, WBZ, 11/1).

QUESTION: Favorability of President Bush.

	10/30	10/23	10/16	10/9	10/2	9/25	9/18
Favorable	65%	70%	70%	72%	76%	82%	81%
Unfavorable	26%	24%	26%	20%	17%	13%	13%

QUESTION: President Bush's job rating on ...

OVERALL	10/30	10/23	10/16	10/9	10/2	9/25	9/18
Bush positive	44%	52%	50%	58%	61%	64%	66%
Bush negative	36%	31%	30%	25%	23%	19%	18%
DEFICIT							
Bush positive	19%	19%	18%	24%	18%	15%	16%
Bush negative	66%	63%	67%	62%	60%	65%	61%
ECONOMY							
Bush positive	19%	22%	25%	26%		29%	25%
Bush negative	61%	57%	55%	49%		49%	52%
FOR. POLICY							
Bush positive	48%	54%	53%	58%	63%	67%	61%
Bush negative	29%	30%	29%	23%	18%	18%	20%

*22 WALL STREET JOURNAL/NBC: BUSH JOB RATING "BOTTOMED OUT"
507 registered voters were interviewed 10/30-31 by the organizations of Robert Teeter and Peter Hart. No margin of error given; HOTLINE estimate +/- 4.35% (WSJ, 11/2, NBC, 11/1).

	NOW	10/26	"EARLY" 1990
-- Bush job approval	56%	59%	75%
disapproval	32	32	15

-- Most important reason for U.S. presence in Persian Gulf:

	NOW	9/90
Forcing Iraq out of Kuwait	46%	39%
Protecting oil supplies	35	50

-- 46% "say they would be more likely to support a candidate who objects to current Gulf policies."

-- Who got more of what they wanted in the budget deal?

Democrats	39%
Bush	28

-- "Voters by 45% to 39% accept the [Dem] interpretation that the Republicans protected the rich over the GOP contention that the Democrats forced higher taxes."

-- "Voters by 47% to 38% are more likely to support a candidate because he voted for the final deal."

-- "The GOP by a 36% to 31% is still seen as better able to get the country out of a recession."

-- "53% to 37% say they are more likely to support an abortion rights candidate."

*10 RHODE ISLAND: PELL AIDE ALERTS CHENEY TO HIDDEN MESSAGES

Pell aide C.B. Scott Jones "has been reprimanded for writing" Sec. of Defense Dick Cheney -- on Senate stationery -- "to raise the question of whether President Bush and other top officials have used a 'code word' in speeches on the Persian Gulf situation" (John Mulligan, PROVIDENCE JOURNAL). Jones wrote Cheney on 10/3 "to report that the word 'Simone' has 'appeared' when tapes of separate speeches of [Bush, Cheney and Sec/State Baker] are played backwards." The 62-year-old Jones, who "is assigned, among other duties, to look into paranormal phenomena, such as ESP," referred to the procedure as "reverse speech therapy." Pell said he had never heard of reverse speech therapy nor did he know of the letter. "Nevertheless, the matter focused fresh attention on Pell's longtime interest in extrasensory perception, the possibility of an afterlife and other such matters of 'human potential.'" Pell believed the letter "was motivated by patriotic reasons," but added that "Jones shouldn't have penned the letter under Senate auspices 'without checking with me.'" Pell CoS Thomas Hughes "reprimanded" Jones and said, "as a political matter, 'it certainly isn't helpful.'" Pell "said he still values Jones' services," and went on to describe "Jones' work with Princeton scientists on the possibility that people can cause objects to move by the power of thought." Pell's opponent, Rep. Claudine Schneider (R), said "it sounds bizarre," adding that she knows nothing about it. "Jones said that, based on a number of conversations he has had with Miss Schneider over the years, her interest in human-potential-style phenomena 'very much parallels the senator's" (10/19).

See none

names

President Bush's Vetoes

1989

Bill	Bill Description	Date	Outcome*
HR 2	Minimum Wage Increase	June 13	House sustained, 247-178
S J Res 113	FS-X Plane Codevelopment	July 31	Senate sustained, 66-34
H J Res 390	Thrift-bailout bill enrollment requirements	Aug. 16	No override attempt (pocket-vetoed)
HR 2990	Labor, HHS, Education FY 1990 Appropriations	Oct. 21 ✓	House sustained, 231-191
HR 3028	District of Columbia FY 1990 Appropriations	Oct. 27 ✓	No override attempt
HR 2939	Foreign Aid FY 1990 Appropriations	Nov. 19 ✓	No override attempt
HR 3610	District of Columbia FY 1990 Appropriations	Nov. 20 ✓	No override attempt
HR 1231	Eastern Airlines Strike Resolution	Nov. 21	House sustained, 261-160
HR 1487	State Department Authorization	Nov. 21 ✓	No override attempt
HR 2712	Chinese Immigrant Status	Nov. 30	Senate sustained, 62-37

1990

Bill	Bill Description	Date	Outcome*
HR 2364	Amtrak Authorization	May 24	Senate sustained, 64-36
HR 20	Hatch Act Amendments	June 15	House overrode, 327-93 Senate action pending

*Veto overrides require a two-thirds majority vote of both houses.

THE WHITE HOUSE

WASHINGTON

June 6, 1990

MEMORANDUM FOR THE PRESIDENT

THROUGH: ED ROGERS,
DEPUTY ASSISTANT TO THE PRESIDENT
AND EXECUTIVE ASSISTANT TO THE CHIEF OF STAFF

FROM: DAVID CARNEY
SPECIAL ASSISTANT TO THE PRESIDENT
AND DEPUTY DIRECTOR, OFFICE OF POLITICAL AFFAIRS

SUBJECT: RESULTS OF JUNE 5TH PRIMARY RACES

In California, Former Mayor Dianne Feinstein defeated Attorney General John Van de Camp to win the Democrat nomination for Governor. Feinstein will face Senator Pete Wilson in the gubernatorial general election in November. Feinstein has now proven she is in this race to win and will be a tough opponent for Wilson.

Several Ballot Initiatives also appeared on the primary ballot. Proposition #118 and #119 dealt with the Reapportionment process. Both were soundly defeated. This only increases the importance of Pete Wilson's victory in November. Proposition #115 (Wilson's Crime initiative) were victorious as was Proposition #108 and #111 (Gas Tax Initiatives). This will double the current increase in gasoline from 9 to 18 cents per gallon. Out of 23 initiatives on the ballot, 21 were victorious. Only the Reapportionment initiatives were defeated.

Republican State Treasurer Thomas Hayes defeated former U.S. Treasurer Bay Buchanan for the GOP nomination. Hayes will face Kathleen Brown, Democratic Chairman Jerry Brown's sister in November.

In Montana, Lt. Governor Allen Kolstad defeated 3 other candidates to win the Republican nomination for the U. S. Senate seat currently held by Democrat Max Baucus.

In New Mexico, Frank Bond defeated Les Houston and 2 other candidates to win the Republican nomination for Governor. Former Governor Bruce King easily won the Democrat nomination.

In Alabama, Education Association President Paul Hubbert will face Attorney General Don Siegelman in a June 26th run-off election, to determine a Democrat opponent for Governor Guy Hunt. Hubbert will have the backing of liberal teachers organizations, should he win the run-off. Hunt currently appears to be in good shape, although a well-run democrat campaign could render him vulnerable.

In what is seen as somewhat of a surprise win, Harvey Gantt defeated Mike Easley in the North Carolina democrat run-off election for the U.S. Senate nomination. Gantt, a black former mayor of Charlotte, is more liberal than his opponent, and will be an easy target for incumbent Jesse Helms due to his opposition to the death penalty and support of the NEA.

There was a surprise in New Jersey's 12th congressional district primary. In the Republican primary, State Senator Dick Zimmer came from behind to defeat the early leader, Assemblyman Rod Frelinghuysen, and won the GOP nomination. Ex-football player Phil McConkey, the only pro-life candidate, also came from an expected third place finish to beat Frelinghuysen. Zimmer will now face pro-life advocate and businesswoman Marguerite Chandler.

In other New Jersey races, Bill Bradley easily defeated "peace and freedom" candidate Peter Seyler and Christy Whitman won the Republican nomination running unopposed. Daniel Mangini, the Republican congressional candidate in the open 1st seat, won the nomination unopposed. He will face Democrat Robert Andrews in November.

The Iowa primary election produced some interesting results for both Republicans and Democrats. Speaker of the House, Don Avenson, won the Democratic nomination for Governor defeating Attorney General, Tom Miller, and businessman John Chrystal.

Avenson was the favored front runner over the last couple of weeks and is the most liberal of the three candidates. He is well-known statewide and will give Governor Terry Branstad a tough race.

Avenson will go into the fall campaign with little money due to an expensive primary. Whereas, Branstad, who spent no money during the primary has approximately 3 million dollars raised to date.

Avenson, who is pro-choice, is expected to make abortion a key issue in his campaign and will likely attack Governor Branstad's pro-life position.

Due to the high profile and closeness of the Democratic Governor's race, Democratic turnout was larger than expected, which could be a source of concern for Branstad because Democrats outregister the Republicans in Iowa.

NARAL (National Abortion Rights Action League) will make both Governor Branstad and Congressman Tom Tauke two of their top targets this year due to their strong pro-life stances.

Election returns are attached for your use and information.

ALABAMA:

GOVERNOR: Republican Primary Democrat Primary
 (77% of the votes counted) (83% of the votes counted)

Governor Guy Hunt	114,336/96%	Paul Hubbert	201,055/32%
Jim Watley	3,075/3%	Don Siegelman	150,798/24%
		Fob James	137,984/22%
		Ronnie Flippo	111,386/18%
		Charles Bishop	27,682/4%

CONGRESS:

AL-2 (66% of the votes counted)
 Congressman Bill Dickinson

Democrat Primary

Faye Baggiano	44,230
George Balmer	14,921

AL-5 Open Seat (Flippo)

Republican Primary
(65% of the votes counted)

Democrat Primary
(50% of the votes counted)

Albert McDonald	2,496
Jim Asquith	568
Annie B. Wells	529

Bud Cramer	20,538
Eddie Frost	8,891
Evelyn Pratt	7,443
Lynn Greer	10,777
Garland Terry	2,969
Bill Spears	505
David Wood	364

* Greer and Cramer will have a run-off on June 26th.

CALIFORNIA:

GOVERNOR:
(63% precincts reporting)

Democrat Primary

Dianne Feinstein	808,679	52%
John Van de Kamp	645,883	41%

LT. GOVERNOR:
(63% precincts reporting)

Republican Primary

John Seymour	507,727	45%
Marian Bergesen	621,124	55%

(Bergesen is pro-life while Seymour is pro-choice)

TREASURER:
(63% precincts reporting)

Republican Primary

Tom Hayes	601,257	54%
Bay Buchanan	512,496	46%

BALLOT INITIATIVES:

118 (Reapportionment)	No	66.9%
	Yes	33.1%

119 (Reapportionment)	No	64%
	Yes	36%

CONGRESS:

Republican Primary

CA-19	Robert Lagomarsino	41,334	89%
	Alan Winterbone	5,260	11%

CA-21:	Elton Gallegly	56,484	70%
	Sang Korman	19,398	30%

CA-44	Republican Primary	Democrat Primary		
	Randy "Duke" Cunningham	45%	Bates	62.6%
	Joe Ghougassian	30%	Georgiou	37.4%

IOWA:

GOVERNOR:

Democrat Primary (90% of the votes counted)

Don Avenson	39%
Tom Miller	31%
John Chrystal	26%

TREASURER:
(63% precincts reporting)

Republican Primary

Tom Hayes	601,257	54%
Bay Buchanan	512,496	46%

BALLOT INITIATIVES:

118 (Reapportionment)	No	66.9%
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CONGRESS:

Republican Primary

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IOWA:

GOVERNOR:

Democrat Primary (90% of the votes counted)

Don Avenson	39%
Tom Miller	31%
John Chrystal	26%

ATTORNEY GENERAL:

Republican Primary (90% of the votes counted)

Kelly	59%
Schmett	41%

CONGRESS:

Republican Primary
(94% of the votes counted)

Democrat Primary
(90% of the votes)

CD-2

Open Seat (Tauke)

Jim Nussle	39%
Joe Ertle	36%
Wayne Moldenhauer	25%

Eric Tabor	54%
Steve Sovereign	46%

MONTANA:

U.S. SENATE:
(88% precincts reporting)

Republican Primary

Allen Kolstad	36,373	43%
Bruce Vohauer	23,029	36%
Bill Ferrall	9,365	13%
John Dominech	5,346	8%

NEW JERSEY:

CONGRESS:

NJ-1

Open Seat (Florio)

Daniel Mangini won the Republican nomination unopposed.
Democrat Robert Andrews won his party's nomination with
52% of the vote.

NJ- 12 Open Seat (Courter)

(99% of the vote counted)

Zimmer	15,395
McConkey	12,614
Frelinghuysen	11,951
Shanahan	928

NEW MEXICO:

GOVERNOR:

Republican primary
(99% of the votes counted)

Les Houston	33%
Harry Kinney	6%
Frank Bond	55%
James Caudell	5%

Democrat primary
(50% of the votes)

Bruce King	51%
Paul Bardacke	41%
Tony Scarborough	4%
Bob Gold	4%

NORTH CAROLINA:

U.S. SENATE: (democrat run-off)

(94% of the vote counted)

Harvey Gannt	290,248	60%
Mike Easley	193,742	40%

These figures are based on information derived until 7:00am.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 8 1989

MEMORANDUM TO DAVID F. DEMAREST, JR.
ASSISTANT TO THE PRESIDENT
FOR COMMUNICATIONS

FROM: Robert E. Grady *REG*

SUBJECT: Recreational Land Acquisition Projects
Included in the FY 1990 President's Budget

Attached for your information are lists of FY 1990 proposed recreational land acquisitions by the Departments of the Interior (National Park Service, Fish and Wildlife Service, Bureau of Land Management) and Agriculture (Forest Service). These projects will be funded under the President's initiative, announced in his February 9th budget address, to seek over \$200 million in appropriations annually from FY 1990 to FY 1993 for Interior and Agriculture land acquisition. This compares to a request of \$23 million in the previous Administration's budget, consistent with its desire to eliminate funding for land acquisition.

The Departments recently submitted these lists to Congress.

Funding of these projects will promote a variety of Administration objectives, such as providing recreation to urban area populations ("parks for people"), preserving valuable wetlands, and protecting threatened and endangered species habitats. The projects are a clear demonstration of the President's commitment to environmental protection and enhancement, and should be used in his upcoming trips and speeches across the country to help bring this message home to the electorate.

Follow-up questions regarding the listed projects should be directed to me or Dave Gibbons of OMB (x4586).

Attachments

cc:

Speechwriters:

Ms. Chriss Winston
Mr. Edward McNalley
Mr. Dan McGroarty
Mr. Mark Davis
Mr. Mark Lange
Mr. Curt Smith

*e.g. - might be useful in a speech
in a local area to say
"my budget contains \$X million
to expand X park."
Hope this is helpful! /BB*

5/11/89

DEPARTMENT OF THE INTERIOR
FY 1990 Land Acquisition
(in thousands of dollars)

	<u>BLM</u>	<u>FWS</u>	<u>NPS</u>	<u>TOTAL</u>
Acquisition management.....	1,100	1,874	6,317	9,291
NPS State assistance management.....	n/a	n/a	3,383	3,383
Emergency and hardship.....	0	1,500	6,079	7,579
Projects.....	19,785	48,041	53,680	121,506
 Bureau totals.....	 20,885	 51,415	 69,459	 141,759

05/12/89

Page 1

DEPARTMENT OF THE INTERIOR
 FY 1990 Land Acquisition - Bureau Listing
 (dollars in thousands)

Bureau	Parcel	No. of Acres	FY 90 (\$000)	Cumulative Cost
BLM	Big Hole River, MT	393	180	
BLM	Bizz Johnston Trail, CA	150	300	
BLM	Bruneau River, ID	160	40	
BLM	Carrizo Plains, CA	35,000	6,000	
BLM	Chuckwalla Ranch, CA	2,500	500	
BLM	Colo R/Blk Ridge Canyon, CO	1,200	300	
BLM	Desert Tortoise Nat Area, CA	600	1,200	
BLM	El Malpais, NM	50,000	1,250	
BLM	Fig Springs, AZ	640	210	
BLM	Kings Range NCA, CA	600	500	
BLM	Lomas/Santa Fe, MT	142	590	
BLM	Lower Salmon River, ID	1,568	1,200	
BLM	McCain Valley RCA, CA	400	250	
BLM	New River ACEC, OR	120	500	
BLM	N. Fork American River, CA	240	250	
BLM	Oregon Nat'l Trail, ID	1,600	405	
BLM	Overflow Wetlands HMP, NM	804	240	
BLM	Owyhee River, OR & ID	1,500	1,320	
BLM	Pariette Wetlands, UT	503	210	
BLM	Rio Chama, NM	1,020	350	
BLM	Rio Grande, CO	280	70	
BLM	S Fork Merced River, CA	160	250	
BLM	S. Fork Snake River, ID	1,700	1,750	
BLM	Upper Missouri W/S River, MT	419	200	
BLM	Upper Sacramento River, CA	1,300	1,720	19,785

05/11/89

Page 1

DEPARTMENT OF THE INTERIOR
 FY 1990 Land Acquisition - Bureau Listing
 (dollars in thousands)

Bureau	Parcel	No. of Acres	FY 90 (\$000)	Cumulative Cost
FWS	Ace Rivers Basin, SC	1,200	1,000	
FWS	Blunt-nosed Lizard, CA	150	160	
FWS	Bogue Chitto, LA	2,505	1,200	
FWS	Cape May, NJ	500	1,000	
FWS	Crystal River, FL	10	900	
FWS	Eastern Shore, VA	220	200	
FWS	Great Swamp, NJ	200	2,000	
FWS	James River, VA	3,500	2,000	
FWS	J.N. "Ding" Darling, FL	43	300	
FWS	Lake Thompson, SD	5,000	1,000	
FWS	Lower Rio Grande, TX	8,000	10,000	
FWS	Minnesota Valley, MN	1,130	4,516	
FWS	Pelican Island, FL	249	1,900	
FWS	Pettaquamscutt, RI	150	1,400	
FWS	Sacramento River, CA	4,065	4,643	
FWS	San Francisco Bay, CA	1,400	4,000	
FWS	San Joaquin River, CA	2,500	5,000	
FWS	San Pablo Bay, CA	1,493	3,500	
FWS	Steigerwald Lake, WA	190	722	
FWS	Tinicum Nat'l Envir Ctr, PA	100	1,000	
FWS	Trempealeau, WI	500	500	
FWS	Truston Pond, RI	70	1,100	48,041

03/12/89

Page 1

DEPARTMENT OF THE INTERIOR
FY 1990 Land Acquisition - Bureau Listing
(dollars in thousands)

Bureau	Parcel	No. of Acres	FY 90 (\$000)	Cumulative Cost
NPS	Acadia NP, ME	233	1,000	
NPS	Antietam NBP, MD	62	500	
NPS	Appalachian Trail, Multi	2,387	7,000	
NPS	Big Cypress N Pres, FL	5,894	4,000	
NPS	Chattahoochee River NRA, GA	225	5,000	
NPS	Congaree Swamp, SC	733	1,000	
NPS	Cuyahoga Valley NRA, OH	175	3,500	
NPS	Delaware Water Gap NRA, NJ/PA	96	750	
NPS	El Malpais, NM	3,500	3,500	
NPS	Jean Lafitte NHP & Pres, LA	1,000	1,000	
NPS	New River Gorge NR, WV	2,812	2,500	
NPS	NP of American Samoa, Saipan	9,000	400	
NPS	Santa Monica Mts. NRA, CA	3,059	21,530	
NPS	Timucuan E & H Res, FL	100	1,500	
NPS	War in the Pacific, Guam	1	500	53,680

U.S. FOREST SERVICE

FY 1990

LAWCF PROGRAM

PROJECT/STATE	NO. OF ACRES	COST (\$000)
Caribbean NF, Puerto Rico	300	430
Mt. Baker-Snoqualmie NF, WA	160	2,000
Pacific Crest Trail	1,000	1,000
Pere Marquette W&SR, MI	500	500
Appalachian Trail	6,000	3,000
Chattooga W&SR, GA	1,000	1,000
Hells Canyon, NRA, OR/ID	500	500
Sawtooth, NRA, ID	400	2,000
Oregon Dunes, NRA, OR	300	500
Cascade Head, SRA, OR	200	1,000
Ocala NF, FL	532	4,000
Humboldt NF, NV	5,950	1,400
Monongahela NF, WV	7,000	2,800
Flaming Gorge NRA, WY	6	12
Hiawatha NF, MI	13,000	3,500
Toiyabe NF, CA/NV	4,000	4,000
Spruce Knobs-Seneca Rock NRA, WV	700	500
Flathead W&SR, MT	800	1,500
Inyo NF, CA	248	1,000
Green Mountain NF, VT	3,500	1,750
Desoto NF, MS	800	700
Quachita NF, AR	8,000	5,000
Ozark NF, AR	3,500	2,000
San Bernardino NF, CA	450	2,000
Roosevelt NF, CO	320	960
Siuslaw NF, OR	568	2,500
Wenatchee NF, WA	15	700
Columbia River Gorge, NSA, WA/OR	3,000	5,000
Carson NF, NM	525	375
Osceola NF, FL	6,000	1,750
Gallatin NF, MT	1,000	1,000
Lake Tahoe Basin, CA/NV	250	3,500
Inyo NF, CA	317	400
BWCA Wilderness, MN	10	500
Project Total		58,777
Acquisition Management		6,054
TOTAL		64,831

November 2, 1990

FOR: ALL SPEECHWRITERS
FROM: D. MC GROARTY
RE: BREAKFAST BRIEFING IN THE MESS

The coffee was weak, the camaraderie strong and the guest Ben Wattenberg -- author, think tanker, philosopher-in-residence at AEI (and former speechwriter) who is publishing his 4th book analyzing demographic trends, The First Universal Nation.

Wattenberg's thesis is that upward trends in birth rate and immigration will fuel economic growth, and have an ameliorating affect on the deficit and on shortages in the social security trust fund. His reasoning: Many immigrants have been trained/educated outside the U.S. at other nations' expense, then come here to work their productive years. They "pay into the system" for decades before they begin to make claims on it.

Accordingly, Wattenberg:

** Praised the 1990 Immigration Bill ("a great and positive surprise"), which will allow a 40% increase in immigration.

** Stands against anything that makes it tougher to raise a family. Noted that our tax code was once much more "pro-family": in the late 40's, the personal exemption was \$600. It would have to be \$6000 dollars in today's dollars -- not the current \$2050. In other words, had the exemption kept place with inflation, a two-child household would today receive an additional \$8000 dollars in federal tax deductions.

** Had high praise for the Child Care tax credit. Sound social policy, through tax code. No new bureaucracy -- just "good green dollars." It helps working families -- and is not a gravy train for welfare parents. It is flexible: lets families decide whether to use the credit for child care -- or take added time off to stay home with child. Wattenberg would like to see it expanded to provide relief for more families of moderate means.

Wattenberg on matters of current interest:

He doesn't worry about the deficit -- which he sees at lower level of GNP than in 1985-1986. "The apocalyptic case wasn't made then when it could have been -- and it's less persuasive now."

Interestingly, he doesn't view the current situation as proof of political paralysis. What some see as governmental gridlock (ahem), he sees as simple difference of opinion. He described the recent budget endgame this way: the Executive-Legislative elite decided to remedy the deficit problem, produced a bipartisan package. Then, "the people's House" told them to "stuff it." "Go back and do it again." The result: a new package that is more palatable. Wattenberg: "If that's not the way the system is supposed to work, then somebody show me the new Constitution."

** He made a sharp attack on quotas -- and strongly supports the Bush veto of the so-called Civil Rights Act of 1990. He suggests more a more sustained public defense of the Bush position, in light of any renewed attempt to pass a 1991 Quota Bill. For Wattenberg, quotas cut at the heart of the American idea: a society based on opportunity and merit. He sees quotas not as a remedy, but as a recipe for disaster: a question of extending quotas from Blacks, Asian-Americans, hispanics and women to new Eastern European immigrants, African and Caribbean Blacks, Russian Jews, Polish Catholics. Ultimately, he fears a society splintered by ethnic origin, gender and race.

** Wattenberg is very much an internationalist -- a devotee of what Tocqueville called "American exceptionalism." He sees the U.S. engaged world-wide in a contest for culture, which we can and should fight to win. Talks about the Apocalyptic Bean Counters of the "America in Decline" school -- and reminds that Rome prevailed by culture, not by the balance of trade in chariot wheels.

The key post Cold-war question now, he says, is which type of democracy will prevail. America retains a powerful attraction: "9 in 10 foreign-born cabbies, asked to describe what they think about America, will use the word opportunity in the first paragraph --if not their first sentence."

#

THE FIRST UNIVERSAL NATION

Leading Indicators and Ideas about the Surge of America in the 1990s

Indicators: Demographics

Since the baby boom, American fertility has fallen sharply, plateaued, and now may be rising somewhat.

Total Fertility Rates (Expressed as
Children Born Per Woman)

Year	Fertility Rate
1950	3.0 children
1955	3.3
1960	3.6
1965	2.9
1970	2.5
1975	1.8
1980	1.8
1986	1.8
1987	1.9
1988	1.9 (est.)
1989	2.00 (est.)
Mar. 1989-Mar. 1990	2.00 (est.)
1990 (Jan - June)	2.10 (est.)

The number of new immigrants to the United States has been steadily rising since World War II . . .

1. Number of Immigrants

Period	Immigrants (in Millions)
1901-10	8.8
1911-20	5.7
1921-30	4.1
1931-40	0.5
1941-50	1.0
1951-60	2.5
1961-70	3.3
1971-80	4.5
1981-90	5.8
1991-2000	7.0 9.0 (est.)

E. According to the previous "most likely" population projection, the U.S. population begins to level off by about the middle of the 2020s, and subsequently falls. An increase in fertility or immigration substantially changes that projection.*

U.S. Population Projections (in Millions)

Year	Previous "Most Likely" Projection	Previous Immigration, 2.0 TFR	Previous TFR, 800,000 Immigration	Current Estimated "Most Likely"	Expected Previous Growth	Current Expected Growth	Increase due to Higher Immigration & Fertility	Aggreg Extra Growth
1990	251	251	251	251	--	--	--	--
2000	268	272	272	276	17	25	8	8
2010	283	292	291	300	15	24	9	17
2020	294	312	307	325	11	25	14	31
2030	301	328	318	346	7	21	14	45
2040	302	340	324	364	1	18	17	62
2050	300	350	327	379	-2	15	17	79
2080	292	356	333	402	-8	23	31	110

* See note.

The U.S. will grow substantially.
Its competitors will not.

Population Projections (in Millions of People)

Nation/Region	1990	2000	2025
United States*	251	276	336
Canada	27	29	32
USCanada*	278	305	368
Mexico	89	107	150
Japan	124	129	128
West Europe	361	360	350
East Europe	140	148	160
Unified Europe	501	509	510
World	5,321	6,259	8,491

* Current estimated "most likely" projections

are we ready -

Amer. U.S. overseas - EE.

↑ foreign here. ---

re. entertainment - cultural support
angle

ABC's. ---

target of terrorism -
(terrorism)

control for culture
which type of device...



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IMPACT OF B.F.T + 1M ON DEFICIT
S.S.

Deficit } - won't go up from 1980
SS }
M1 } \$1M - less out...

monetary news order - scheduled for 1/2 Q.

Reagan's view.
opp. growth, cut 'lim

Quaker - Balancing act.

pol. psychology? w: gridlock
or
first diff. operation.

W: culturally? pol. structure

7 in 10 cabinet - consensus = opportunity

tax code
pressure on -
(946 to new deal
w/ 1 & 6000

BUILDING A BETTER AMERICA

APRIL 24, 1989

SUMMARY

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

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

Keeping the Economy Strong -- With No New Taxes

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

Seizing International Opportunities for Peace

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

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

Investing in Our Future

Improving Education

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

Protecting our Environment

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

Fighting Drugs and Crime

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

Working for a Kinder, Gentler America

Child Care

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

National Service

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

Welfare Reform and Medicaid

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

Homelessness

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

Ethics and Civil Rights

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

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

BUILDING A BETTER AMERICA
APRIL 24, 1989

KEEPING THE ECONOMY STRONG -- WITH NO NEW TAXES

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

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

ACTION BY THE ADMINISTRATION:

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

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

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

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

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

o **Agricultural initiatives:**

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

SEIZING INTERNATIONAL OPPORTUNITIES FOR PEACE

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

ACTION BY THE ADMINISTRATION:

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

- The President supports the Roundtable agreements that clear the way for Poland to be able to work with the International Monetary Fund on programs that encourage sound, new, market-oriented economic policies.
- The Administration is also encouraging business and non-profit groups to develop innovative programs to swap Polish debt for equity in Polish enterprises; and for charitable, humanitarian and environmental projects.
- The President will support imaginative educational, cultural and training programs to help liberate the creative energies of the Polish people.

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

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

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

WORKING FOR A KINDER, GENTLER AMERICACHILD CARE

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

ACTION BY THE ADMINISTRATION:

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

NATIONAL SERVICE

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

ACTION BY THE ADMINISTRATION:

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

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

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

WELFARE REFORM

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

ACTION BY THE ADMINISTRATION:

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

EXPANSION OF MEDICAID

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

ACTION BY THE ADMINISTRATION:

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

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

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

HOUSING/HOMELESSNESS

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

ACTION BY THE ADMINISTRATION:

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

ETHICS AND CIVIL RIGHTS

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

ACTION BY THE ADMINISTRATION:

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

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

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housing projects, and, with the D.C. police, will tighten security and maintenance at projects.

- o **Rehabilitation:** The National Institute on Drug Abuse will provide assistance in local treatment efforts and will be authorized to establish three new outpatient clinics by 1990.
- o **Prevention:** The Department of Education will provide the District with 50 percent more funds for drug prevention programs in city schools. The Department of Labor will work with the business community to increase job training for youth, and will provide a \$100,000 grant to establish employee assistance programs for drug abuse.

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Community Service

A Thousand Points of Light

■ In his inaugural address, President Bush said: "I have spoken of a thousand points of light — of all the community organizations that are spread like stars throughout the nation, doing good. ... The old ideas are new again because they are not old, they are timeless: duty, sacrifice, commitment, and a patriotism that finds its expression in taking part and pitching in. "

■ The President aims to build a better America not just through government programs but through a nationwide community service program. The President's program has three elements:

- Call on all individuals and institutions to take steps to address society's problems.
- Identify, enlarge and multiply effective volunteer efforts.
- Discover and encourage new leaders.

■ In 1989, President Bush announced the formation of a foundation called the Points of Light Initiative. Each day the foundation recognizes individuals and group efforts that are improving America's communities.

— Through a foundation project called ServNet, groups will be asked to donate the services of some of their most talented people for a period of time.

— Another foundation project, ServLink, will improve existing methods of matching volunteers with service opportunities.

■ Says House Republican Whip Newt Gingrich: "No government bureaucracy will win the war on drugs, or nurture a generation of educated, hard-working citizens in the inner city. Only an outpouring of civic energy and commitment can bring about that level of change in individuals, families, and communities."

■ Between 1980 and 1988, private philanthropy funds increased from \$48.7 billion to \$104.4 billion — a 53 percent increase after inflation. (1990 *Statistical Abstract*, p. 372)

Agriculture

Strengthening America's farmers

- By pursuing sound fiscal and monetary policies, the administration wants to provide a stable business environment in which farmers can borrow at affordable interest rates.
- The administration supports a 1990 Farm Bill that increases the competitiveness of American farmers and ranchers and maintains a safety net.
- The President's proposed cut in the capital gains tax rate would apply to the sale of farmland. This tax cut can keep American agriculture dynamic and prosperous.
- The President encourages alternative uses of farm products like ethanol and other new fuels.
- The President knows that productive agriculture can be compatible with a sound environment. In 1990, the federal government will spend nearly a third of a billion dollars on research and technical support for farmers that

will help stop the contamination of land and water and make farming practices consistent with environmental protection.

■ The President's "America the Beautiful" initiative will establish a new reforestation program to plant more than a billion trees a year.

■ Many countries subsidize production and export of agricultural commodities or curb imports. The administration has submitted a comprehensive proposal for reforming world agricultural trade. The proposal calls for a worldwide phase-out of export subsidies in five years and other trade-distorting subsidies in ten years.

Health Care

Toward a healthier America

"The future health of our citizens is heavily dependent upon our success in four major areas: We must develop an appropriate and effective health policy; we must contain medical costs; we must continue to make advances in biomedical research and biotechnology; and we must encourage increased personal responsibility for health and disease prevention." — Dr. Louis Sullivan, Secretary of Health and Human Services. (*Roll Call*, 3-26-90, p. 15)

■ The United States spends more of its gross domestic product (GDP) on health care than any other industrialized country (FY91 Budget, p. 185). We spend 11.2 percent, compared with 8.6 percent in Canada, and 6.8 percent in Japan.

■ In 1970, spending on mandatory health programs took up about 5 percent of federal budget outlays. In 1995, that figure is projected to reach 15 percent.

Accelerating the pace of health research

- The President supports an expanded program of basic research in the Department of Health and Human Services.
- The President's budget proposes an 18 percent increase for all federal HIV/AIDS programs.

Health care reform

- The President proposes to restructure physician payment in the Medicare program and extend use of "prudent purchasing" principles to secure the best value for Medicare beneficiaries and taxpayers alike.
- The President's policy encourages "managed care," the coordinated delivery of medical services through an organization (such as an HMO or a preferred-provider organization) that assures quality care.
- The President supports a new program to evaluate medical technologies and strengthen existing quality assurance programs.

Environment

A conservationist tradition

The Republican Party has a long tradition of protecting our nation's environment. Teddy Roosevelt, a great Republican president, was the father of the conservation movement in America. Roosevelt said we should "use [our natural resources], but use them so that as far as possible our children will be richer, and not poorer, because we have lived." Today, we again have a Republican president who is committed to preserving the environment.

President Bush's environmental policy: five principles

- 1) Sound ecology and a strong economy can coexist and, indeed, help one another. We must harness the power of the marketplace in the service of the environment.
- 2) Protecting the environment will take more than just federal action. We must expand creative state, local and private environmental initiatives.
- 3) Preventing pollution is far more efficient than cleaning it up once it's occurred. We must focus on technologies that reduce or prevent pollution.
- 4) Protecting the environment is a global concern. Because pollution respects no borders, international cooperation is essential.
- 5) Environmental laws must be vigorously enforced. Polluters will pay.

The Environmental President: President Bush's proud record

President Bush has already made great strides in fulfilling his pledge to be the environmental president. His administration has:

- Proposed the first major rewrite of the Clean Air Act in 13 years. The new Clean Air Bill will reduce emissions that cause acid rain, smog and air pollution.
- Launched a \$1 billion a year research program on global climate change.
- Proposed to elevate the Environmental Protection Agency to cabinet-level status while expanding its programs by 12 percent.
- Added three quarters of a billion dollars this year alone to clean up hazardous waste at federal facilities.
- Promoted the use of cleaner alternative fuels, which has already prompted several major oil companies to begin marketing reformulated gasoline.
- Proposed a worldwide phase-out of chlorofluorocarbons (CFCs) by the year 2000 to protect the ozone layer.
- Launched the "America the Beautiful" initiative to plant a billion new trees a year in America.
- Banned all U.S.-African ivory imports to help protect the elephant population.
- Set a goal of "no net loss" of wetlands for our country.

Crime

President Bush has said: "My vision for the '90s is an America where punishment is at least as tough as the crime." (Address to conservative leaders, 4-26-90)

The President has called upon Congress to pass his four-part crime program, which:

I. Strengthens current laws by:

- Restoring an enforceable death penalty.
- Curbing plea bargaining.
- Toughening penalties for those who commit crimes with firearms.

II. Strengthens law enforcement by:

- Hiring additional law enforcement officers.
- Reforming the "exclusionary rule" to allow evidence to be admitted if the searching officers acted in good faith.

III. Strengthens criminal prosecution by:

- Hiring additional prosecutors.
- Reforming *habeas corpus* procedures to reduce the strain on federal courts.

IV. Strengthens the prison system by:

- Expanding prison construction.
- Converting unused federal property for use as federal prisons or jails.

Republican leadership gets tough on criminals

■ Between 1960 and 1980, liberal policies eroded the justice system. In 1960, there were 299 prison commitments for every 1,000 adult arrests for serious crimes. By 1980, that figure had plunged to 196 (Bureau of Justice Statistics, *Prisoners in 1988*, April 1989, p. 6). Not coincidentally, crime and victimization soared during these two decades.

■ Starting in 1980, the GOP's "get-tough-on-crime" philosophy started to take hold: Result: By 1987, the state prison commitment rate was up to 301 per 1,000 arrests. And the victimization rate had fallen.

The American people want to get tougher on crime

■ Seventy-two percent support the death penalty for murder, up from 54 percent in 1980. (CBS poll concluded 4-2-90)

■ Seventy-nine percent think that criminals currently get off too easily in court. (Gallup poll 6-21-89)

The Republican Record

The triumph of democracy and the collapse of communism are a result of a decade-long Republican policy of peace through strength. Republican policies of the '80s rebuilt our defenses and made the world a safer place for our children. Accomplishments include:

- The INF treaty. For the first time in history, an entire class of nuclear missiles was eliminated.
- A U.S.-Soviet agreement, in principle, to reduce their respective strategic nuclear arsenals.
- A continuing commitment to the Strategic Defense Initiative (SDI) to protect against a missile attack.
- Negotiations on conventional armed forces (CFE) with the Soviet Union. President Bush has proposed lowering the number of troops in the CFE treaty to 195,000.

■ President Bush's Open Skies initiative, which will allow frequent aerial observation of participating nations, is being negotiated. This is an old policy with a renewed importance, representing unprecedented access to and trust of the Soviet Union.

■ President Bush and Soviet President Gorbachev have signed an agreement to destroy most of the U.S. and Soviet chemical weapons by 2002. Production of such weapons will cease.

The future

■ The fundamental U.S. security goal is to preserve our freedom. As recent events have reduced the threat of a Soviet/Warsaw Pact attack in Europe, both President Bush and Defense Sec. Dick Cheney are carefully planning a transition to peacetime defense. Sec. Cheney has cautioned, "Intentions can change overnight — defense capabilities last a long time."

■ A strong America is essential to global stability. The Bush administration will work to continue successful arms control negotiations. A six-year program will realign the defense budget. This year's defense plan will produce

savings of over \$35 billion and will guarantee protection of America and her allies.

Germany and NATO

■ The United States supports the reunification of East and West Germany and its continued membership in NATO. The alliance must remain as a cornerstone of free nations of the West.

Housing And Homeless

President Bush's housing policy: providing HOPE

The President's forward-looking plan for housing is called HOPE — Home ownership and Opportunity for People Everywhere. HOPE encompasses four principles:

1. Empowering poor families to achieve self-sufficiency and have a stake in their communities.

■ President Bush is proposing HOPE grants to provide funds for resident management and home ownership in public housing, government-held vacant and foreclosed properties and financially distressed properties.

■ President Bush seeks to increase funding for the Urban Homesteading program, which turns over government-held properties to cities that then provide them at nominal cost to moderate-income families.

2. Expanding housing opportunities for moderate-to-low income families and young families just starting out.

■ The HOPE initiative would allow first-time home buyers to withdraw funds from their IRAs without penalty.

■ HOPE includes Housing Opportunity Zones, a program to target federal incentives to those distressed communities that best remove tax and regulatory barriers to affordable housing.

3. Helping end the tragedy of homelessness.

■ The President supports full funding of the McKinney Act, which provides for a wide variety of programs of aid to the homeless.

■ The President proposes a new "Shelter Plus Care" program to help the homeless mentally ill or recovering substance abusers.

4. Creating jobs and economic opportunities in distressed inner cities and rural areas.

■ HOPE would create 50 enterprise zones to encourage job creation and attract seed capital for business development. It will provide for a zero capital gains tax rate on tangible investments in enterprise zones.

Liberal fictions about housing and homelessness

Fiction: Housing assistance was cut during the 1980s.

Fact: Between 1980 and 1990, outlays for housing assistance increased from \$5.6 billion to \$16.3 billion — more than an 80 percent increase after inflation. (FY90 Historical Tables, p. 70; FY91 Budget, p. A-296)

Fiction: There are as many as 5 million homeless people.

Fact: One homeless person is one too many. In 1980, the National Academy of Sciences estimated the number at 650,000, the Urban Institute found 570,000, and the General Accounting Office — an arm of Congress — put the number between 300,000 to 600,000. (Warren Brookes column, *The Washington Times*, 10-3-89)

Child Care

President Bush on child care:

"My philosophy with respect to child care is to put choice in the hands of parents not in the hands of the state. ... I will build a policy around parental choice. Particularly we must find a way to put a greater range of choices in the hands of low-income parents — because they face the greatest difficulty in meeting the demands of work and family." ("Building a Better America," 2-9-89)

The President's proposal

- A new refundable Child Care Tax Credit for low-income working families of up to \$1,000 for each child younger than age four.
- Refundability of the current Child Care and Dependent Care tax credit.

Principles of the President's proposal

Parents know best

Parents are best able to make decisions about their children's care and should have the discretion to make these decisions. New federal support for child care should go directly to parents.

Federal policy should not discriminate against parents who work at home.

Federal policy now neglects the contributions

and sacrifices made by two-parent families in which one parent stays at home to care for the children.

Parental choice must increase.

Federal policy should increase, not decrease, the range of child-care choices available to parents. Parents should be free to select care from relatives, neighbors, churches, schools, employers or other sources.

We must target families most in need.

Poor families should receive benefits commensurate with their needs.

Most child care is family care. (FY91 Budget, P. 194)

■ In families with an employed parent, 43 percent of children younger than six are cared for by mothers who do not work outside the home.

■ Of under-five children whose mothers do work outside the home, 48 percent are cared for by relatives. "Family day care homes" account for 24 percent. Child care centers, including preschools, enroll only 22 percent of these children.

**President Bush scores
Democratic "alternatives"**

"I will not see the option of religious-based child care restricted or eliminated. We're going to

fight against that. [The House Democrats' bill] would cost nearly \$30 billion, three times our original proposal, and force, compel many states to change their rules. ... So let's expand the horizons of our kids, not the budget of the bureaucracy, and through tax incentives give families the help that they need to solve their child care problems themselves." (Address to conservative leaders, 4-26-90)

Investing In Competitiveness

Keeping America's scientific lead

■ In 1988, American government and industry spent a total of \$132 billion on research and development — more than the combined R&D spending of France, West Germany, Britain and Japan. In relation to their overall economies, however, these countries and the U.S. each spent about the same, roughly 2 1/2 percent of their GNP.

■ Industry accounted for half of America's R&D spending in the 1980s. R&D had a direct rate of return of 30 percent — three times higher than for physical capital.

Encouraging private research and development

President Bush believes that research yields new knowledge, products and processes that make America more competitive in international markets, foster economic growth, and improve the quality of life for all Americans. The President is taking the lead on three fronts:

■ Proposing to make permanent the 20 percent tax credit targeted to encourage research and experimentation.

■ Pursuing better international protection of intellectual property.

■ Endorsing changes in product liability laws to help restore balance to the tort system, increase

competitiveness, reduce uncertainty and provide incentives to produce safe products.

Increasing federal research and development

■ The President is committed to doubling the budget of the National Science Foundation by 1993.

■ The President is working to continue American leadership in space exploration, including:

- Funding of further Space Shuttle flights;
- Development of Space Station Freedom; and
- Planning exploration of the Moon and Mars.

Strengthening federal science and technology policy

■ On April 20, 1989, the President established the National Space Council, chaired by Vice President Quayle.

■ The President established the Council on Competitiveness, also chaired by Vice President Quayle, to oversee regulatory and other competitiveness issues.

Manned mission to Mars

■ The President has lifted the sights of the space program with his call for a manned mission to Mars. He is:

- supporting greater efforts for launching robotic science missions;
- accelerating the technology and advanced launch systems to support planetary exploration; and

— proceeding with technology development for the National Aerospace Plane.

Industrial policy: another misguided liberal dream

Some liberal Democrats have called for an “industrial policy” in which the federal government picks specific technologies for special tax treatment or subsidy.

■ The Bush administration believes the best way to support the development of civilian technology is by improving private incentives, not by trying the impossible job of second-guessing consumer decisions.

The President's commitment to a better America

"And our challenge today is to take this democratic system of ours — a system second to none — and make it better. A better America ... where every one of us enjoys the same opportunities to live, to work, and to contribute to society. And where, for the first time, the American mainstream includes all of our disabled citizens. (President's 1990 State of the Union Address)

Protecting the civil rights of all Americans

- The President called upon Congress to reauthorize the Commission on Civil Rights. Following congressional action, the President signed legislation reauthorizing the Commission through FY 91.
- The President endorsed and signed the Hate Crimes Bill, which provides for the collection of data about crimes based on prejudice.
- Attorney General Thornburgh filed federal housing discrimination lawsuits seeking monetary damages and civil penalties under the Fair Housing Amendments of 1988.
- The President is committed to policies that would extend civil rights protection to disabled Americans.
- Because of President Bush's policies, two-thirds of black Americans approve of the way he is doing his job. (NBC poll, April 1990)

Opportunity and progress

■ Between 1986 and 1988, black enrollment in independent colleges and universities increased by 7.1 percent (U.S. Department of Education figures, reported by *The New York Times*, (3-30-90).

■ Since the beginning of the economic recovery, black employment has grown by more than two million. (*Economic Report of the President 1990*, p. 333)

■ President Bush, has appointed more Asian Americans to senior administration jobs — at least 30 — than any previous administration. — Between 1980 and 1988, according to the Census Bureau, the Asian population of the United States grew by 70 percent. Asian-Americans numbered about 6.5 million in 1988, up from 3.8 million eight years earlier. (*The New York Times*, 3-2-90)

■ In 1989, the first Cuban-American was elected to Congress: Republican Ileana Ros-Lehtinen of Florida.

The Republican Record

■ Without the support of key Republicans in the '60s such as Senate Minority Leader Everett Dirksen, crucial civil rights legislation would not have become law.

■ As a Texas congressman, George Bush was one of a handful of Southern lawmakers to vote for the fair housing law of 1968.

■ Republican Senator Edward Brooke of Massachusetts, the only black member of the U.S. Senate during the 20th century, sponsored

the 1968 fair housing law in the Senate.

■ As Vice President, George Bush supported the Fair Housing Amendments of 1988, which strengthened anti-discrimination housing laws.

Economic progress

■ Since the beginning of the economic expansion in 1982, the median income of black households has increased 11.8 percent after inflation. The median income of Latino households has increased 9.4 percent. (*1990 Statistical Abstract*, p. 444)

■ Since 1982, the percentage of black households making more than \$50,000 a year (1988 constant dollars) has doubled — from 4.9 percent to 9.9 percent. (U.S. Census, *Monday Income*, p.24)

Savings and Loans

President Bush acts

■ To protect the savings of millions of Americans, President Bush led the effort to pass the Financial Institutions Reform, Recovery and Enforcement Act of 1989. The law sets tough standards to ensure that such a crisis never happens again.

■ President Bush has reaffirmed his commitment to tough action against S&L fraud: "We will not rest until the cheats and the chiselers and the charlatans spend a large chunk of their lives behind the bars of a federal prison." (*Washington Post*, June 23, 1990)

■ The Department of Justice has achieved results in its war on financial institution fraud, including 791 major fraud convictions in 1989.

■ President Bush supports legislation to provide additional enforcement tools that will allow the government to step up the attack on financial institution fraud. A total of 220 agents are being added to the battle, and the President has asked Congress for an additional \$25 million for the IRS and Justice Department for investigators and prosecutors.

Congress had the responsibility

■ Before 1989, Congress had provided that every major regulator, except the Comptroller of the Currency, be independent of the president and accountable primarily to Congress.

Asleep at the wheel: The Democratic Congress

■ William Proxmire, former chairman of the Senate Banking Committee, said that members

of Congress "were just plain lulled to sleep" while the problem was growing. The S&Ls "went down fast, and Congress didn't react soon enough." (*St. Louis Post-Dispatch*, May 23, 1989)

■ The result: The Democratic Speaker helped cause one of the greatest financial problems in our history.

Republicans called for action

■ In 1984, the Bush Task Group on Regulation of Financial Services recommended comprehensive reform of the regulatory system.

■ In 1986, the administration asked Congress to replenish the funds of the Federal Savings and Loan Insurance Corporation (FSLIC), which protected savings accounts and which was facing insolvency.

Democrats stalled

■ The Reagan administration proposed legislation to carry out the Bush Task Force reforms, but the Democratic Congress refused to move the legislation.

■ It took Congress two years to enact legislation to protect small savers by shoring up FSLIC.

Democratic Leadership: making things worse

■ As House Majority Leader, Jim Wright, once took the FSLIC bill off the House calendar to pressure the regulators to change their stand on a matter affecting a big Dallas real estate syndicator. Democrat Wright also:

— Sought to have at least two federal regulators removed from office.

— Intervened on behalf of a Democratic Party official who had been banned from the thrift industry for regulatory violations.

Education

Administration leads education reform

President Bush has said that "our progress won't be measured by bureaucracies built and dollars spent. It will be measured by results, and by what our children learn and accomplish." (Remarks on Teacher of the Year Award, 4-4-90)

President's education summit sets national goals

For the first time in U.S. history, a president convened the nation's governors to address education. In February, President Bush and the nation's governors agreed that by the year 2000:

- Every child must start school ready to learn.
- The high school graduation rate must top 90 percent.
- Students must show competency in English, math, science, history and geography.
- American students will lead the world in math and science achievement.
- Every adult will know how to read, possess the skills necessary in a competitive global economy, and have the knowledge necessary to exercise the rights and responsibilities of citizenship.
- Every school will be free of drugs and violence and instead offer a disciplined setting for learning.

President Bush has said: "I believe that excellence comes from higher standards, a greater

accountability, and more freedom to move within a school system" (Address to conservative leaders, 4-26-90). President Bush's Educational Excellence Act calls for a restructuring of the educational system by providing:

- Presidential Merit Schools: Awards to schools that make progress in raising achievement, fighting drugs and reducing dropout rates.
- Presidential Awards to excellent teachers.
- Short-term aid to districts establishing magnet schools.
- Alternative teacher certification programs.
- A National Science Scholars program to encourage top high school students to undertake college work in science, math or engineering.
- Sustaining black colleges: Matching funds to historically black college and university endowment fundraising.

Spending alone will not solve our problems

- Between 1963 and 1980, federal spending for elementary and secondary education increased by 328 percent after inflation. (*Historical Tables*, FY90 Budget, pp. 63-65)
- During this time of increasing federal spending, average combined SATs fell from 976 to 890. (*Digest of Education Statistics* 1989, p. 120)
- The increased federal effort failed because American education had strayed from the basics: reading, writing and respect.

Recovering from the mistakes of the '60s: Republican leadership points the way

- SAT scores improve: In 1989, combined SAT scores averaged 903 (*The Washington Post*, 5-3-

90). Most people agree that we need to make further progress, but that score represents an improvement from the 1980 level of 890.

■ High School graduation up: In 1988, 76 percent of the population aged 25 and over had completed high school, compared with 69 percent in 1980. (*Digest*, p. 4)

■ Teacher salaries improve: Between 1980 and 1988, the average salary (constant 1987-88 dollars) of elementary and secondary teachers increased from \$24,000 to \$28,000. (*Digest*, p. 77)

School choice is the wave of the future

■ Educational excellence comes from higher standards, greater accountability and more freedom to move within a school system.

— By a 2-to-1 margin, Americans support letting parents choose which public school their children will attend. (Gallup poll, *The Washington Post*, 8-25-89)

The triumph of democracy

Will any of us ever forget the stirring sights of 1989? First, we witnessed peaceful revolutions in Poland and Hungary. Then, the tremors set off by the falling of the Berlin Wall upended communism in East Germany and Czechoslovakia. Now change has come to the Americas — to Panama, to Nicaragua, perhaps to Cuba. These events, which President Bush calls the “Revolution of ’89,” are miraculous, but not accidental. They are, in part, due to steady leadership. It is no accident that under Republican leadership, one billion people of the earth found freedom.

Contrast this to the almost daily humiliations of the era when liberal Democrats were in power — the steady encroachment of Marxist-Leninism in the Americas, the growing tension within the Western alliances.

The Republican Record: a safer and more peaceful world

Successive Republican administrations have promoted peace and freedom around the globe.

■ In 1990, after a decade of Republican leadership, about 3.2 billion (about 66 percent) of the world’s population are free. In January 1979, only about 2.2 billion (about 55 percent) of the world’s population lived free of communist tyranny and military dictatorship.

■ Republican presidents have also cultivated a new, more peaceful relationship with the Soviet Union. The historic INF agreement has eliminated an entire class of nuclear weapons and has paved the way for further arms-reductions agreements.

■ By January 1990, 17 countries in Latin America could be considered democratic. In the 1970s, only seven Latin American and Caribbean nations could boast of open or democratic societies.

Panama

Then there is the restoration of democracy in Panama. On Dec. 20, 1989, President Bush sent U.S. forces to protect American lives, restore the democratic process, preserve the integrity of the Panama Canal Treaties and decapitate the outlaw regime of Manuel Noriega.

■ U.S. Forces were withdrawn less than two weeks after the operation began and Manuel Noriega turned himself over to U.S. forces on Jan. 3, 1990.

Nicaragua

Democracy also triumphed in Marxist Nicaragua. Presidents Reagan and Bush lent their unflinching support to the Nicaraguan freedom fighters, helping to bring about free elections in Nicaragua and a stunning end to the Sandinista regime.

Grenada

With the support of other nations in the region, the United States liberated the island nation of Grenada from communist dictatorship.

Libya

Action was taken against state-sponsored terrorism by raiding Libyan bases in 1986.

Eastern Europe

The "Revolution of 1989," the overthrow of communism in Eastern Europe, was a fundamental victory for Republican foreign policy. Both the Berlin Wall and the Warsaw Pact came tumbling down. In Poland, Czechoslovakia, East Germany, Bulgaria and Romania, people clamored for political and economic freedom.

■ The survival of fledgling democracies is a priority of the Bush Administration. In November 1989, the United States enacted a \$938 million aid package to Poland and Hungary.

Camp David Summit

■ President Bush's June 1990 summit meeting with Soviet President Gorbachev was a successful step toward relaxing tensions and establishing closer relations between the Soviet and American peoples.

■ The Bush administration signed a landmark agreement that will eventually eliminate both nations' chemical weapons stockpiles.

— Other accords between the two nations include agreements on cultural exchange, environmental issues, civil aviation and maritime transportation accords, customs accords and trade agreements, including an accord bolstering U.S. grain sales.

German reunification

President Bush is standing firm for support of a united Germany as a member of NATO.

The People's Republic of China

President Bush is working to preserve America's important relationship with the people of China. Reform will be encouraged through open lines of communication and trade.

■ President Bush condemns the repression of the Chinese people and therefore suspended governmental sales and commercial export of weapons.

President Bush has said. "Congress needs to provide tough laws to deal with a tough problem. Working together, we can — we will defeat this scourge. America has earned her victories through determination and desire." (Santa Ana, Calif., 3-2-90)

President Bush's national drug control strategy

1. Attack the drug market at the source and on the street.

- Extend the death penalty to:
 - Major drug kingpins;
 - Drug kingpins who attempt to kill to obstruct justice; and
 - Federal drug felons whose crimes result in death.
- Hire additional prosecutors, law enforcement officers and court personnel.
- Help the Andean countries fight drug production.
- Step up efforts to eradicate domestic marijuana.
- Improve interdiction at our borders.

2. Treat the drug user.

- Increase drug treatment grants to the states.
- Triple assistance to "crack babies."

3. Prevent drug use through efforts in schools, workplaces and communities.

- Strengthen drug-free workplace requirements for federal contractors and grant recipients.
- Increase outlays for prevention efforts.

Strong public support

■ Sixty-nine percent of Americans approve of the way President Bush is handling the drug problem. (Gallup poll, 1-17-90)

■ Sixty-three percent say President Bush has made "some" or "a lot of" progress in dealing with the drug problem. (Gallup poll, 1-17-90)

Republican leadership points the way to better law enforcement

Responding to presidential leadership, federal, state and local authorities have started cracking down:

■ In 1989, federal agents seized 181,000 pounds of cocaine — three times the amount they seized in 1986. (*The New York Times*, 4-22-90)

■ In 1988, state and local authorities made 289,000 arrests for sale or manufacture of drugs — more than twice the number of arrests they made in 1984. (Bureau of Justice Statistics, *Drug and Crime Facts* 1989, p. 8)

■ In 1987, 78 percent of suspects in drug cases were prosecuted, up from 73 percent in 1980. This was a higher rate than for any other crime category. (BJS, *Drug and Crime*, p. 9)

■ The number of suspects prosecuted for drug offenses increased from 7,000 in 1980 to 18,000 in 1987 — an increase of 153 percent. (BJS, *Drug and Crime*, p. 9)

Progress: drug abuse reduced

The War on Drugs is not yet won. Any level of drug use is too high. And the crack problem is still causing havoc. But thanks to tougher Republican policies, signs of progress are appearing:

■ In 1989, the proportion of high school seniors who reported using drugs within the last year

dropped to 35.4 percent — still far too high, but the lowest figure since the National Institute on Drug Abuse (NIDA) surveys started in 1975. (*L.A. Times*, 2-14-90)

■ After a continuous increase since 1986, the number of cocaine overdoses reported by hospital emergency rooms in major cities held steady from late 1988 through the third quarter of 1989. (*Baltimore Sun*, 2-8-90)

■ According to the NIDA, 37 million Americans used illicit drugs during 1985. By 1988, that number had fallen to 28 million. (NIDA release, August 1989)

■ The proportion of adults aged 18 to 25 who used marijuana at least five times a month dropped from 18.7 percent in 1977 to 6.9 percent in 1988. (*Morbidity and Mortality Weekly Report*, 4-20-90)

■ Between 1979 and 1988 the proportion of high school seniors aware of the risks of regular marijuana use increased from 42 percent to 77 percent. (*MMWR*, 4-20-90)

■ President Bush has extended the fight against drugs to Latin American trade policy. In November 1989, President Bush proposed the Andean Trade Initiative to orient regional nations away from the drug trade by expanding legitimate trade opportunities.

Mexico

■ President Bush is committed to creating new jobs and opening new markets between the United States and Mexico by negotiating a free-trade pact.

■ President Bush and Mexican President Carlos Salinas will conduct formal talks in December 1990, in Monterey, Mexico. Conclusion of a free-trade pact would coincide with an invitation to Canada to join in the arrangement, creating a North American free-trade zone stretching from the Arctic Circle to Central America.

Eastern Europe

■ President Bush has promoted the transformation of centrally planned economies to market-oriented economies.

■ President Bush's \$938 million economic aid package to Poland and Hungary is a success. In Poland, the switch to a market economy is working. Inflation has dropped from 80 percent in January 1990 to 5 percent in March.

■ Future economic agreements will continue to stimulate and protect new opportunities for U.S. business. The Bush administration has proposed a complete overhaul of the system for controlling high-tech exports to allow access to Western technology.

Opening world markets

■ President Bush's trade policy has a clear goal: to create a world where open markets are based on free and fair trade practices.

— Republicans believe that trade wars kill jobs, and free trade creates jobs. With the walls of isolation being torn down around the world, now is *not* the time to build a protectionist wall around the United States — as many liberal Democrats would.

— America needs free trade, fair trade and more trade. Protectionism is a problem, not a solution.

Highlights: the Republican Record

■ Aggressive Republican leadership has improved our international trade position. With U.S. exports steadily increasing, the trade deficit was cut by 28 percent between 1987 and 1989. (exports minus imports-customs value). (*Economic Indicators*, p. 35 April 1990)

■ The Bush administration has been a leader in tariff negotiations, promoting open markets around the world.

■ President Bush has created an interagency group to assure that U.S. trade interests are represented in the 1992 European Community.

■ The Bush administration has encouraged commercial banks to reduce the debts of developing countries. Mexico, the Philippines and Costa Rica have reached debt-reduction agreements with U.S. banks under President Bush's debt plan.

■ The administration will enforce and use U.S. trade laws to best advance the goals of open markets and fair trade.

■ American competitiveness in the global market place is being promoted by Vice President Dan Quayle as chairman of the Council on Competitiveness.

Soviet Union

■ Both the Malta and Washington summits have improved economic ties between the two superpowers. President Bush will continue to link trade with progress in political and economic reforms.

— The Malta Summit began negotiation of a new trade agreement, including GATT observer status for the Soviet Union. New accords signed at the June 1990 Washington Summit will triple airline capacity between the two nations and increase Soviet purchases of U.S. grain from 9 million tons to 10 million tons annually.

■ President Bush supports genuine efforts to bring fundamental, free-market reforms to the Soviet economy.

— President Bush offered Soviet President Mikhail Gorbachev the opportunity to achieve "Most Favored Nation" status, providing the Soviet government passes liberalized emigration reform laws. The President said:

"I want to see Lithuania have its freedom. We are committed to self-determination for the Baltic states. And although I take great pleasure and joy and am pleased that the emigration of Soviet Jews is at an all-time high, I want to see unfettered emigration." (*The Washington Times*, 6/8/90)

■ Trade with the Soviet Union has rebounded in the last two years. Bilateral trade soared to over \$4 billion in October 1989, compared with \$2.6 billion during the same period in 1988. Agricultural exports alone tripled during the same period.

Canada

An historic tariff-free zone has been created by U.S.-Canada Free Trade Agreement (FTA) that has stimulated growth, boosted incomes and increased the competitiveness of firms in both nations. During 1989, the first year of the agreement, goods and services trade exceeded \$200 billion.

Japan

President Bush is ensuring that Japan, the world's second largest market, opens to U.S. business and operates competitively. The Bush administration's successful identification of market opening priorities under the 1988 Trade Act has won trade concessions from the Japanese. President Bush has ensured open markets for satellites, supercomputers and forest products. Under President Bush's administration, Japan has been removed from the list of countries with unacceptable trade barriers.

China

■ America's outrage at the tragedy of Tiananmen Square was expressed by Congress and by sanctions promptly enacted by the Bush Administration. These sanctions remain unchanged. Notwithstanding, the President has repeatedly made it clear that these actions were never designed to hurt the Chinese people.

■ The President extended "Most Favored Nation" trade status with China because it was in the best interest of the U.S. and the Chinese people. Discontinuing MFN could cost the U.S. \$6 billion a year in trade as well as inadvertently damage the Hong Kong economy, which stood to lose 20,000 jobs and \$10 billion in trade. Many of our trading partners — including the United Kingdom, Japan, and even Taiwan — urged that MFN be retained.

■ The people of China who trade with the United States are the engine of reform, the opening to the outside world. The President believes: "Our responsibility is best met not by isolating those forces from contact ... but by keeping open the channels of commerce and communications."

Latin America

■ President Bush has expanded and developed open markets in the Caribbean and Latin America. Brazil, Argentina, Colombia and Venezuela have liberalized their trade policies.

Investing in America

■ Investment is soaring. Between 1980 and 1989, real net private domestic investment rose from \$153 billion to \$216 billion (1982 dollars) — a 41 percent increase. (*Economic Report of the President* 1990, p. 313)

■ Between 1980 and 1989, real business expenditures for new plant and equipment increased from \$333 billion to \$450 billion (1982 dollars) — a 35 percent increase. (*Statistical Abstract* 1990, p. 538)

Capital gains

■ President Bush proposes to cut the tax rates on capital gains for long-term investments.

■ A cut in the capital gains rate would foster growth and increase competitiveness of American businesses. The tax rate on capital gains in the United States now tops that of any other industrial country except Australia and Great Britain. Both Australia and Great Britain, however, index capital gains for inflation, thus effectively reducing their tax rate.

Protecting Social Security

■ President Bush is determined to protect the steadily accruing Social Security trust fund from raids on its reserves.

■ Seniors have made progress against poverty. Since 1970, the poverty rate among people age 65 and over has been cut in half. (Census, *Money Income*, p. 60):

1970	24.6%
1980	15.7%
1988	12.0%

Sustaining record growth: longest peacetime expansion

■ Thanks to Republican economic policy, America is enjoying the longest peacetime expansion in history. Unless congressional Democrats scuttle the recovery with their big-spending policies, each month this year will set a new record for the length of peacetime economic growth: July represents the 92nd month of consecutive growth.

■ Between 1980 and 1989, the economy grew by almost a third. Real gross national product (1982 dollars) rose from \$3.187 trillion to \$4.144 trillion — an increase of nearly one trillion dollars. (*Economic Indicators*, April 1990, p. 2)

— The real growth in gross national product has amounted to \$3,800 for every man, woman and child in the United States.

The great American job machine

■ Since the expansion started in late 1982, the economy has created more than 21 million new jobs. (*Economic Report of the President* 1984, p. 263; *Economic Indicators*, April 1990, p. 14)

— The economic expansion produced five new jobs every minute.

— Inflation hit a 16-year low.

■ In 1989, the civilian unemployment rate was 5.3 percent — the lowest annual average since 1973. In 1980, the last year the Democrats controlled the White House, the unemployment rate was 7.1 percent and rising. (*Economic Report of the President* 1990, p. 339)

— If the Democrats' 1980 unemployment rate had prevailed in 1989, an additional 2.27 million Americans would have been out of work.

Checking inflation

■ The most common measure of inflation, the consumer price index, rose by a modest 4.8 percent in 1989. In 1980, when Democratic policies were choking the economy, the inflation rate rose to 13.5 percent, nearly three times as large. (*Economic Indicators*, April 1990, p. 24)

— Inflation increased each year the Democrats were last in the White House.

— If the Democratic inflation rate had lasted throughout the 1980s, prices today would be 108 percent higher.

	Republican price	Democratic price
Loaf of Bread	\$0.93	\$ 1.93
Toothbrush	\$1.09	\$ 2.27
Sport Shirt	\$22.00	\$45.76
Color TV	\$300.00	\$624.00
New Car	\$13,000.00	\$27,040.00

Lower interest rates

■ As Jimmy Carter was cleaning out his desk in December 1980, the prime interest rate hit 21.5 percent. In 1989, the prime averaged 10.87 percent, about half the Democratic level. (*Economic Report of the President, 1984*, p. 299; *Economic Indicators*, April 1990, p. 30)

Controlling the budget

■ President Bush is facing the budget issue squarely. In May, he began a budget summit with congressional leaders of both parties, with the primary goal of maintaining peace and increasing prosperity.

■ President Bush supports a line-item veto and a balanced-budget amendment.

■ In fiscal 1989, the budget deficit stood at 2.9 percent of GNP — still too high, but less than

half the level of 1983. (CBO, *Economic and Budget Outlook*, January 1990, pp. 33, 123)

■ Article I of the Constitution gives the power of the purse to the House of Representatives, which has been ruled by the Democrats for nearly 36 years.

Helping families and individuals

■ President Bush endorses Family Savings Accounts. He has proposed that withdrawals made after 7 years should be tax-free.

■ President Bush is helping home buyers. The administration has proposed a waiver of the 10 percent excise tax penalty for early withdrawal of up to \$10,000 from Individual Retirement Accounts. The withdrawn funds would have to be used for first-time home purchases.

■ Democratic policies devastated American families. Between 1978 and 1982, real median family income (1988 dollars) fell from \$32,006 to \$28,727. Republican policies have restored prosperity to the family. Between 1983 and 1988, real median family income increased from \$29,307 to \$32,191. (U.S. Census, *Money Income and Poverty Status in the United States* 1988, p. 11)

■ Between 1980 and 1988, the share of American households with incomes under \$15,000 (1988 dollars) fell from 29.4 percent to 27.3 percent. Meanwhile, more and more Americans climbed into higher income levels. The share of households with incomes over \$50,000 rose from 15.8 percent to 20.8 percent. (U.S. Census, *Money Income*, p. 23)

■ Between 1980 and 1989, real per capita disposable personal income (1982 dollars) rose 20 percent. (*Economic Indicators*, April 1990, p. 6)

■ Although the poverty rate rose in three of the four Carter years, it fell in six of the first eight Republican years.