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Series: Porter, Richard W., Files
Subseries: Subject Files

OA/ID Number: 21803
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New York July 7, 1992

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Withdrawal/Redaction Sheet
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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. List	Re: Members of the Police Athletic League, Inc.; contains Personally Identifiable Information. (1 pp.)	n.d.	(b)(6)	
02. Memo	Re: Name and address of member of Police Athletic League, Inc. (1 pp.)	n.d.	(b)(7)(c), (b)(7)(f)	
03. Schedule	Re: Trip of the Vice President to New York, New York; redaction. (1 pp.)	07/07/92	(b)(7)(c), (b)(7)(f)	
04. List	Telephone List for the Vice President's Visit to New York City; redactions. (1 pp.)	07/05/92	(b)(7)(c), (b)(7)(f)	
05. Schedule	Re: Trip of the Vice President to New York City; redactions. (7 pp.)	07/06/92	(b)(7)(e), (b)(7)(f)	

Collection:

Record Group: Quayle Vice Presidential Records
Office: Deputy Chief of Staff's Office
Series: Porter, Richard, Files
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P-2/P-5 Review Case #:

POLICE ATHETIC LEAGUE, INC.
34 1/2 EAST 12TH STREET NEW YORK, N.Y. 10003
(212) 477-9450 Fax (212) 477-0553

OFFICE OF THE EXECUTIVE DIRECTOR
JOHN J. RYAN

July 2, 1992

Richard Porter
Chief Counsel to the Vice President
White House
Washington, D.C.

Dear Richard:

Enclosed are some materials about the Police Athletic League (PAL).

If you have any questions you can call me at:

212-477-0785

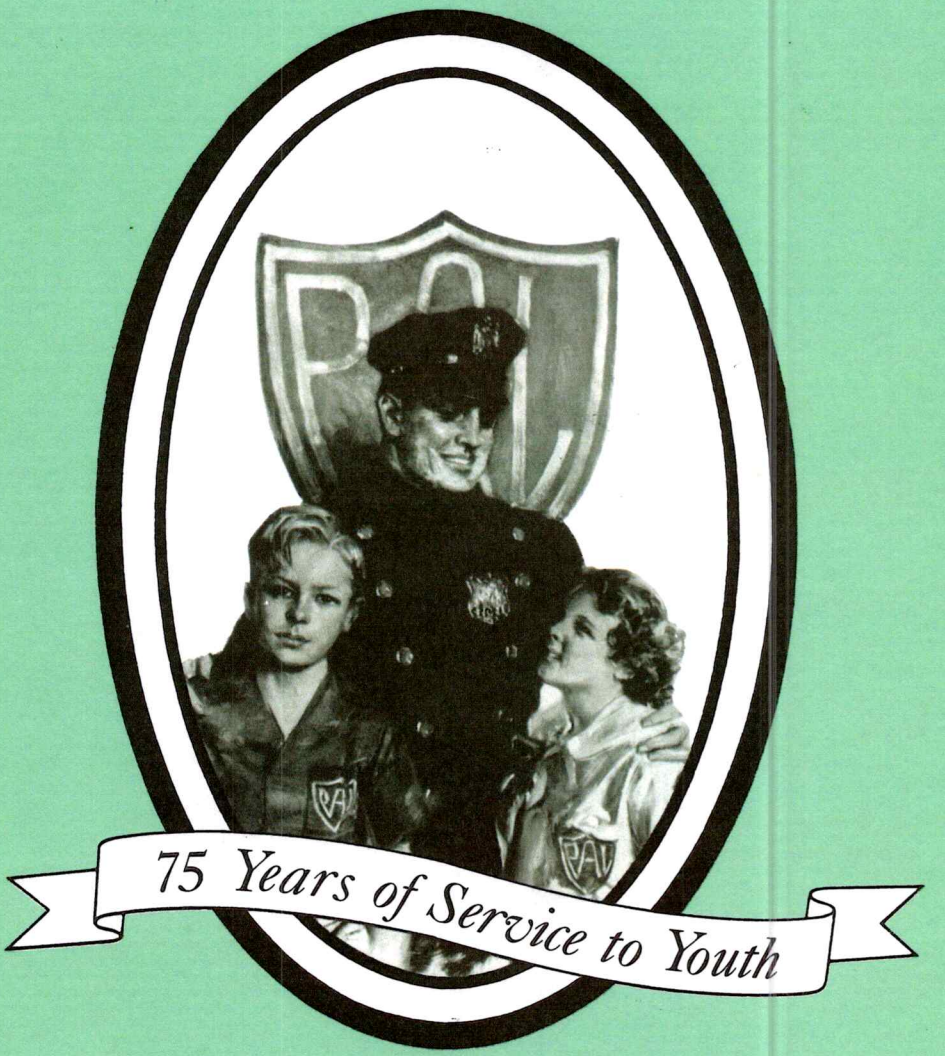
or Andrea Kotuk at 212-353-9585 who can contact me at home.

Sincerely,

John J. Ryan
Executive Director

JJR:jd

POLICE ATHLETIC LEAGUE OF NEW YORK CITY



ANNUAL REPORT 1988



Captain John Sweeney with the inspectors and captains of the Junior Police in 1916.

POLICE ATHLETIC LEAGUE OF NEW YORK CITY

ANNUAL REPORT 1988

POLICE ATHLETIC LEAGUE

1914 – 1989

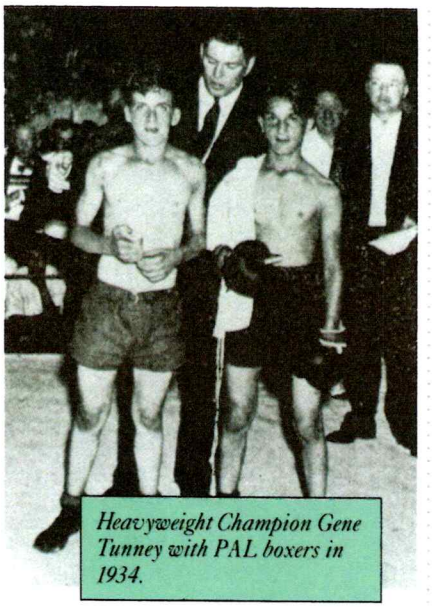
75 Years of Service to Youth

1914–1929

Creation of Playstreets

In 1914, Police Commissioner Arthur Woods began a social movement that would eventually be known as the Police Athletic League. Commissioner Woods, a well-known advocate of New York City's poor, worked closely with the Commissioner of Charities, John Kingsbury. Commissioner Woods instructed police officers to seek out the needy in their precincts and bring these people to charitable persons or organizations for help. Commissioner Woods had a special concern for the poor children who lived in the congested tenements of New York City with no safe places to play. In reaction to this problem, the police commissioner organized a city-wide search for vacant lots which could be converted into playgrounds. In addition, he set aside 29 blocks as playground blocks, where traffic was prohibited in the afternoons every day except Sunday.

In 1914, *The New York Times* articulated the need for these playstreets: "Children must play, and children, if they live in the cities, must play in the streets." The objective of these playground blocks, according to *The New York Times*, was to "reduce the temptations of wrongdoing by keeping children off the streets and by giving them a chance for wholesome play under proper supervision."



Heavyweight Champion Gene Tunney with PAL boxers in 1934.

A separate goal of the playstreet program was to reduce tensions between police officers and youth. Ruth Robinson of the People's Institute remarked, "One or two of the policemen have entered into the spirit of the games going on at their end of the block, thus creating a necessity for the small boy to take a new stock of policemen generally... It bids fair to decrease antagonism to the police."

The public reaction to the development of playstreets in New York City was overwhelmingly favorable. When Commissioner Woods inspected playstreets, mothers rushed to thank him and children cheered his efforts.

Junior Police

At the same time Commissioner Woods was opening the city's first playstreets, Captain John Sweeney of a Lower East Side police precinct was creating a more organized recreational program for boys ages 11 to 16. In 1914, Captain Sweeney formed the Junior Police. These young New Yorkers in uniforms participated in marching drills and carried the green and white flags that predate PAL's own banner colors. The Junior Police aspired to develop a more cordial relationship with the police, and support the values of good American citizens.

Modeled after the Police Department hierarchy, the Junior Police inducted boys as patrolmen and promoted them up the ranks to chief inspector. The members attended meetings twice a week where they learned marching drills, participated in track meets and baseball games, enjoyed public swimming pools, and learned first aid and safety, and personal hygiene.

By 1917, the Junior Police had expanded to 32 precincts. Shortly thereafter, when Captain John Sweeney retired from the police force, the Junior Police disbanded without his leadership. The idea of an organized recreational program for New York City's underprivileged children would be revived more than a decade later.

Playstreet Expansion

During the 1920's, the playstreet programs continued to flourish. In 1921, the Commanding Officer of the Traffic Commission worked with the Mayor's Committee on Recreation and Playgrounds to create 25 additional playstreets. In 1924, an additional 50 playstreets spread over Manhattan, Brooklyn, the Bronx, and Queens.

1929–1939

Crime Prevention Bureau

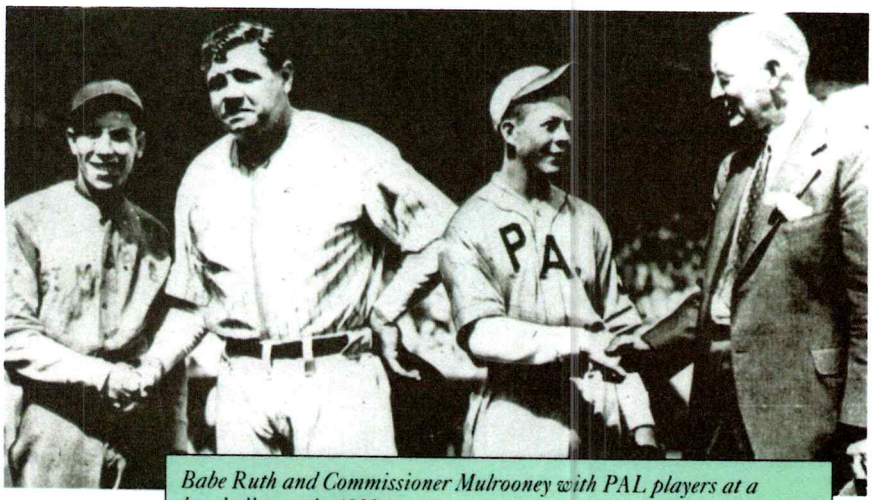
In 1929, Police Commissioner Grover A. Whalen appointed an advisory committee on crime prevention to address growing concerns about juvenile delinquency. It was believed that the trouble-making boy of today would become the hardened criminal of tomorrow. In an effort to prevent future crime, the Police Department began to focus on the youth of the city, and took a leadership role in providing positive recreation. In 1931, Mayor James J. Walker signed a bill to make the Crime Prevention Bureau, later known as the Juvenile Aid Bureau, a permanent part of the Police Department.



PAL children enjoy supervised recreation on a playstreet in the 1930's.

Twilight Athletic League

In 1931, a Crime Prevention Officer took an interest in a group of boys and organized a Twilight Baseball League comprised of eight baseball teams. The whole community pitched in donating materials and labor to build a baseball field complete with bleachers. The popularity of the Twilight League grew, and when basketball and football were added to the program, it became the Twilight Athletic League.



Babe Ruth and Commissioner Mulrooney with PAL players at a baseball game in 1932.

Junior Police Athletic League

The 1932 Annual Report of the Police Department stated that, "During a Depression, it is the children who stand in the greatest danger of permanent injury." In response to this concern, the Crime Prevention Bureau formed the Junior Police Athletic League in 1932. A committee to oversee the new organization was headed by baseball legend Babe Ruth and included Police Commissioner Edward Mulrooney and Deputy Commissioner of the Crime Prevention Bureau, Henrietta Additon. The Junior Police Athletic League was an outgrowth of the Twilight Athletic League. Although still focused on baseball, boys received boxing instruction and played football. In addition, in the early 1930's the first girls basketball teams were formed.

In 1933, Police Commissioner Mulrooney issued membership cards to the Junior Police Athletic League. That year, the PAL All Stars baseball team traveled to Baltimore to play Saint Mary's School, PAL's rival throughout the early Thirties. The team's trip was highlighted by a tour of Washington, D.C., and a meeting with First Lady Eleanor Roosevelt.

Police Athletic League

The Police Athletic League was reorganized in 1936. Junior membership was available at $.10, and adults were solicited as associate members at $1.00 each. Working with the Board of Education, Police Commissioner Lewis J. Valentine



Commissioner Valentine (left) and Mayor LaGuardia join PAL youngsters at Yankee Stadium in 1937.

obtained a list of 5,000 truants in an effort to enroll the children in PAL programs.

PAL Week

In celebration of the new organization, the first week in August, 1936, was declared "PAL Week." To kick off the week, a carnival was held in Union Square, where children skated in teams to win prizes of jack knives, belts, and flashlights. Other promotions included former Governor Alfred E. Smith and boxer Jack Dempsey releasing 5,000 balloons from the Empire State Building, each balloon carrying a coupon redeemable for junior membership in the Police Athletic League. A boxing bout in Staten Island marked the beginning of PAL activities in the borough of Richmond. President Franklin D. Roosevelt sent a letter to Deputy Commissioner Byrnes MacDonald of PAL stating, "I hope (PAL Week) will serve to focus attention...on the constructive character building program of the Crime Prevention Bureau."

Support from the WPA

President Franklin D. Roosevelt lent his prestigious support to PAL in many important ways. Although the nation was suffering under the worst Depression it had known, the important work of the Police Athletic League was supported on a national level. 520 workers from the Education and Recreation Department of the Works Progress Administration were assigned to PAL under the supervision of the Juvenile Aid Bureau. In 1937, the number of workers from the WPA rose to 750.

Expansion in the 1930's

The late 1930's was a time of rapid expansion for PAL. Bolstered by WPA staff, PAL had over 70,000 junior members in 1937 and operated 69 indoor centers, many of which were dedicated to the memories of police officers who died in the line of duty. Recreational activities increased and included arts and crafts, aquatics, dancing, dramatics, kindergarten, motion pictures, nature study, trips and special events, in addition to games and sports. Radio stations WNYC, WBNX and WWRL broadcast weekly educational programs which featured PAL staff and children.

In 1938, Fox Lair estate in Warren County, New York, was leased to the Police Athletic League. 120 underprivileged boys were given a month's vacation at the camp. Boys gained an average of five to ten pounds each and returned with improved health from a month of romping in the fresh air and sunshine.

PAL at the 1939 World's Fair

September 6, 1939 was PAL Day at the World's Fair in New York City. Over 2,000 members participated in boxing demonstrations, dramatic skits, and fife and bugle corps performances. In addition, a complete playstreet was set up in the heart of the fair to demonstrate PAL's programs.

1939–1945

Budget Cuts Threaten J.A.B.

In 1939, the number of WPA workers was curtailed, and by 1942, there were no longer WPA personnel at PAL. Due to a lack of funds during the war, the New York City Board of Estimate announced that the Juvenile Aid Bureau would be abolished. Public outcry following that announcement was great, specifically citing the worthwhile activities of the Police Athletic League. Soon funds were found to continue PAL's operation.

However, PAL needed more aggressive fund raising to survive. In 1939, PAL held a benefit at Madison Square Garden called "Stars Shine for Young America" which raised $25,000. According to *The New York Times* account, "Rita Hayworth... brought down the service men section of the house with rhapsodically blown kisses" at the star-studded benefit.



Former PAL children Joe Meehan (third from right in back) and Jean O'Brien with Patrolman Al Grant. Joe and Jean were the children who appeared with Patrolman Grant in the PAL poster. With them are PAL children and artist Howard Chandler Christy. Joe Meehan, a seaman first class in the U.S. Navy, was reported missing in action in 1944.

NYT Pictures

PAL Contributes to War Effort

PAL children contributed to war time efforts by organizing scrap salvage drives, helping with Red Cross activities, knitting and working in Junior Commando training and as messengers for Civilian Defense. PAL's radio program on WNYC, "Pals of the PAL," devoted air time to promoting the sale of war bonds and the collection of fats and waste paper.

PAL programs were necessary to provide supervised care for the children of parents engaged in war work and civilian defense duties. PAL was also considered a morale booster on the home front.

1945–1959

Renewal After the War

After the war, PAL programs expanded again. In 1945, Eleanor Roosevelt Field was opened, and Mrs. Roosevelt was on hand to throw out the first baseball. Fox Lair Camp, which had closed during 1944 and 1945, reopened in 1946. That same year, Mayor William O'Dwyer launched a campaign to curb juvenile delinquency, and pledged "100% support" to the PAL program.

During the late 1940's and early 1950's, there was a change in philosophy at PAL regarding social science. At that time, PAL began hiring trained social workers in order to add a therapeutic component to the treatment of troubled youngsters.



Winners of a PAL singing contest receive War Bonds from Mayor LaGuardia, with contest judge Lucy Monroe (second from right) in 1945.

NYT Pictures

PAL Receives National Recognition

PAL radio programs received national attention in 1947 and again in 1951, when PAL won two Freedom Foundation awards for its community service program. PAL also received a gold medal from that foundation for its radio and television work with young children. A PAL essay contest in the Fifties,



Lieutenant James Sullivan and PAL youngsters Walter Senior and Maureen Walton stand in front of a fund raising poster for which they modeled in 1955. Joining them are (third from right) Commissioner Francis W.H. Adams, Alfred L. Hammell, President of Railway Express, and Deputy Commissioner James B. Nolan, PAL President.



NYT Pictures

"Why I Like to Read Books," also received endorsements from celebrities and literary figures across the country. PAL was receiving inquiries from police departments and government officials from the United States and overseas, wanting to replicate PAL's successful programs.

Celebrities and PAL

In 1948, PAL began publishing a newsletter written by PAL members, called *The PAL*. Children often wrote biographical sketches of celebrities and solicited quotes from these stars. Actor William Holden stated, "PAL is the perfect place for a youngster to learn how to live and play with his fellow man." Celebrities who visited PAL centers in the Fifties included Ed Sullivan, Mickey Mantle, former PAL Sugar Ray Robinson, and Lassie. Charles Bronson visited the Lynch Center's camera club on behalf of his television show called "The Man with a Camera." Peter Ustinoff was the guest director of *Hansel and Gretel* at PAL's Duncan Center.

While on a trip to New York City, long-time PAL supporter President Dwight D. Eisenhower renewed his PAL membership and encouraged others to do the same. J. Edgar Hoover, Director of the F.B.I., sent a letter to PAL commending its programs stating, "PAL is teaching...the difference between right and wrong, good and bad."

Excellence in Athletics

PAL did not forget its origins in athletics during the 1950's. PAL boxers captured the Golden Gloves through most of the decade. In addition, PAL athletes competed in the Helsinki Summer Olympics in 1952, and in the Melbourne Olympics of 1956.

1960's/1970's/1980's

The 1960's marked a period of significant expansion in PAL's educational programs. Head Start preschool was initiated in 1964. PAL libraries opened with a focus on Black and Puerto Rican history, and PAL held its first annual Brotherhood Week essay contest. Programs reached more neighborhoods with the use of playmobile vans and mobile arts. PAL choral groups performed at the World's Fair and Lincoln Center. President Lyndon B. Johnson launched the "War on Poverty" in 1963, and federal funds were allocated for PAL programs.

During the 1970's PAL participated in several nation-wide youth programs which educated young people about the dangers of drug abuse. Arts programs continued to flourish in PAL centers. In 1976, PAL sponsored the first Illustrated Poetry Contest which encouraged artistic expression in words and images. The following year, the "Stories My Grandparents Told Me" essay contest taught children how to use family history as a source of inspiration in writing. In the 1970's, the annual Superstar dinner fund raising events honored outstanding individuals. Sports heroes Willie Mays and Walt Frazier were among the first PAL Superstars.

During the 1980's, PAL reached out to disabled youngsters with a therapeutic horseback riding program. Volunteer skaters helped raise funds at PAL's Roll-a-thon. PAL athletes continued to win the Golden Gloves boxing tournament, and compete on a national level in track and other sports. In the late 1980's, the number of playstreets continued to increase.

Today, PAL serves more than 55,000 children each year with recreational, educational and cultural programs. PAL programs continue to meet the ever-changing needs of New York City's youth.

A CONVERSATION WITH ROBERT MORGENTHAU

Robert Morgenthau, PAL President
25 years of service to PAL

Robert Morgenthau has been the President of the Police Athletic League for the past 25 years beginning in 1963. Mr. Morgenthau was appointed U.S. Attorney for the Southern District by President John F. Kennedy in 1961 and again in 1963, and re-appointed by President Lyndon B. Johnson in 1967. He has been elected Manhattan District Attorney four times since 1974.

Q. How did you become involved with the Police Athletic League?

A. In 1962, I was the Chairman of the Bronx Borough Committee of the New York City Youth Board. Two Bronx community centers were forced to close due to lack of funding, and we couldn't find anyone to take over these centers. The Police Athletic League agreed to operate one center and help set up the other. I was very impressed by the fact that PAL was the only organization willing to provide services in that neighborhood.

Secondly as U.S. Attorney, I thought it was important to do anything you could to cut down on your caseload by helping young people find creative, constructive, and educational activities.

Q. What makes PAL different from other nonprofit agencies?

A. PAL will help any community in need of services, provided we have the funds. We do not set up any restrictive criteria for accepting youngsters into our programs. We don't refuse young people because they have been in trouble, or because they are considered "difficult" kids.

In fact, we take police department referrals of youngsters who are in minor trouble, or on the verge of getting into trouble. Many children join PAL because police officers suggest it might be a good idea. Many agencies, for perfectly appropriate reasons, must screen out these kinds of youngsters.

Q. Why have you continued to serve as president for more than 25 years?

A. Because PAL serves areas of the city that nobody else wants to serve. PAL is a statement to young people...particularly in less advantaged neighborhoods...that the community cares about them. We are extending a hand of friendship to children who do not have many opportunities.

Q. Do you think it is getting tougher to grow up in New York City today?

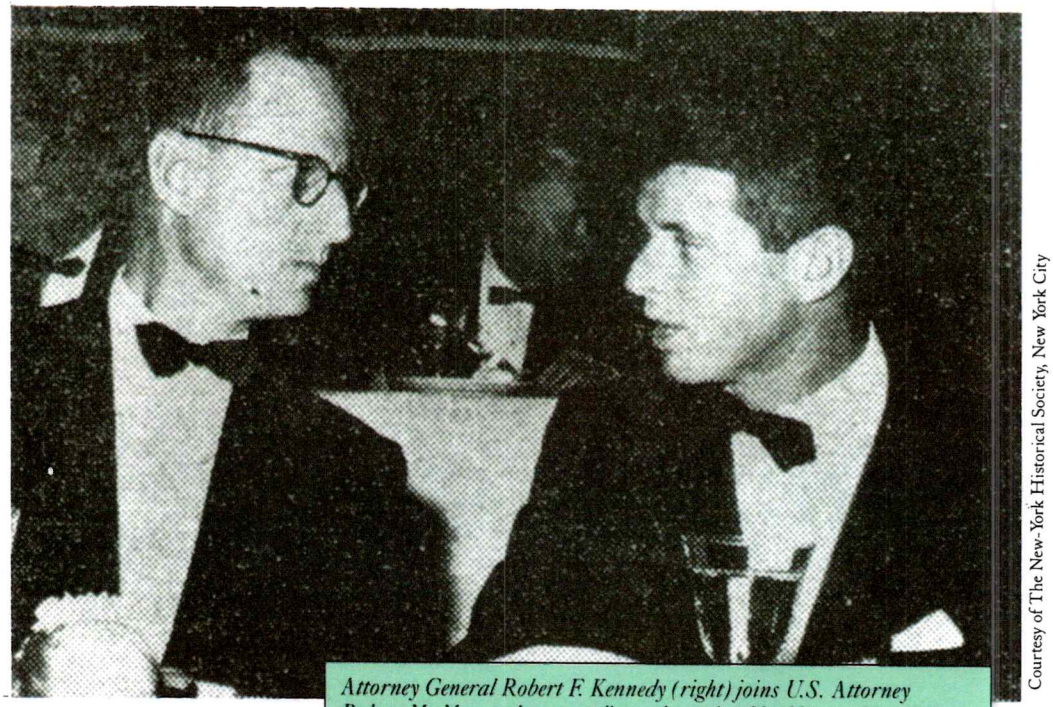
A. Yes. You have to think about how mean the streets really are. The amazing thing about children growing up in the city is not that so many get into trouble...but that *so few* get into trouble.

Q. What does PAL do to help young New Yorkers?

A. PAL is an oasis for these kids. Through our playstreets, we try to provide summer camp on the streets of New York to children who can't get away. Although many youngsters are attracted to PAL for our athletics, they use our youth centers for libraries, job placement, music, writing and much, much more.

PAL children really have a good time. They participate in enjoyable activities, and at the same time, we are helping them grow up to be productive individuals.

Q. Do you see a direct link between crime prevention and PAL participation?



Courtesy of The New-York Historical Society, New York City

Attorney General Robert F. Kennedy (right) joins U.S. Attorney Robert M. Morgenthau at a dinner honoring Mr. Morgenthau as the new President of the Police Athletic League in 1963.

A. Absolutely. As I said before, PAL cuts down on my business as District Attorney. Young people who have nothing to do and nothing to look forward to are going to become a crime problem. They may not be looking to commit crimes, but crime is going to reach out and grab them. If you give kids something to do, they are not going to be hanging out on street corners waiting for trouble. We take energetic, active young people and try to direct their energy in positive ways.

Another important way PAL makes an impact on crime prevention is by its presence in the community. If we open a PAL playstreet in the middle of a drug-infested area, we can keep that block free of drug dealers. All you have to do is walk one block away to see the difference PAL makes in a tough neighborhood.

On these playstreets, police officers become friends of young people, and can be viewed in their proper light. Community leaders come to us and ask for our help.

Q. What are some of the achievements of PAL over the past 25 years?

A. That we survived is in and of itself an achievement...where a lot of community-based agencies were forced to close. It hasn't been easy facing cutbacks in federal, state and city funds. But today we are expanding our programs to serve more people than ever before. Over the years, we have expanded our Head Start programs, libraries, study clubs, computer training and job placement services.

PAL is not a one-dimensional organization. We don't just hand a child a baseball and a bat. We are trying to help these kids round out their lives.

The satisfaction I get is seeing what PAL means to children. I can honestly say if we had twice the money, we could spend it wisely. There is a tremendous need for our community services.

Q. As PAL celebrates its 75th Anniversary, what would you like to see in the future?

A. I would like to see more financial stability for the agency by setting up an endowment fund to fall back on as security.

We need to improve our current facilities. I would love to see a modern community center in each major neighborhood, along with the funds for operating expenses. There are so many neighborhoods in need of our services. We are reaching only a small percentage of people who could use our help.

PRESIDENT'S MESSAGE

For 75 years, the Police Athletic League has enriched the lives of the children of New York City. Created as a preventive measure against juvenile delinquency, PAL continues to offer children an alternative to idle after-school hours and trouble on the city streets. PAL programs provide healthy, supervised recreation to 55,000 young people a year with educational, cultural, social and athletic activities.

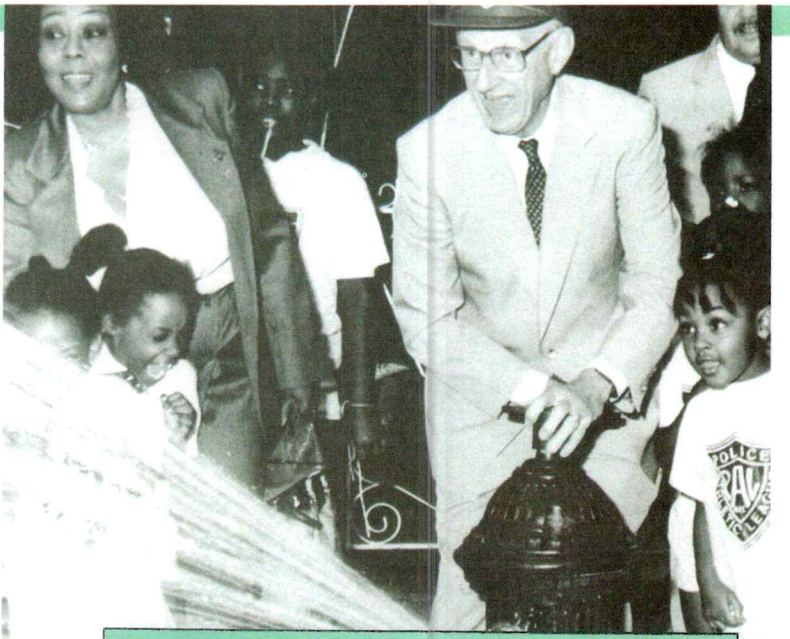
I would like to offer my heartfelt thanks to those who carry on the important work of the Police Athletic League: Dr. John J. Ryan, our Executive Director who has worked with PAL for over 25 years, the energetic and dedicated staff, PAL volunteers who give their time unselfishly, and our extraordinary Board of Directors, contributors and friends.

Robert M. Morgenthau
President

David Handschuh Daily News



Police Commissioner Benjamin Ward shares his post with high school student Dawn Holley, winner of PAL's "Police Commissioner for a Day" essay contest.



PAL President Robert Morgenthau and Wilhelmina Holliday, Deputy Commissioner of Community Affairs, NYPD, participate in the traditional opening of the PAL summer programs.

COMMENTARY FROM PAL'S HONORARY PRESIDENT

I would like to take the opportunity on the 75th Anniversary of the Police Athletic League to recognize the valuable work done by PAL, and to commend the leadership role PAL has taken in providing recreation to the children of New York City.

On May 24, 1914, *The New York Times* reported, "Police Commissioner Woods instructed the captains yesterday to report to headquarters all vacant spaces suitable for playgrounds in their precincts." This interest in youth recreation, acknowledged by my predecessor some 75 years ago, remains today as a priority of this department.

In 1988, as in 1914, there are few places where children can play in safety. PAL offers children safe, organized play under the supervision of caring, supportive adults.

My own life was influenced by the Police Athletic League in a great many ways. Over 40 years ago, I played stick ball on playstreets, competed in PAL track meets and won an essay contest called "Police Commissioner For a Day." Participating in PAL programs gave me an extra edge in life.

For 75 years, PAL has taught children that the police can be friends and protectors. Today, children often grow up in an atmosphere of disillusionment and distrust, and it is more important than ever before to encourage positive interaction between police officers and children.

I offer my sincere support to the work of the Police Athletic League during our diamond anniversary celebration, and look forward to an even brighter future for the young people of our city in the years ahead.

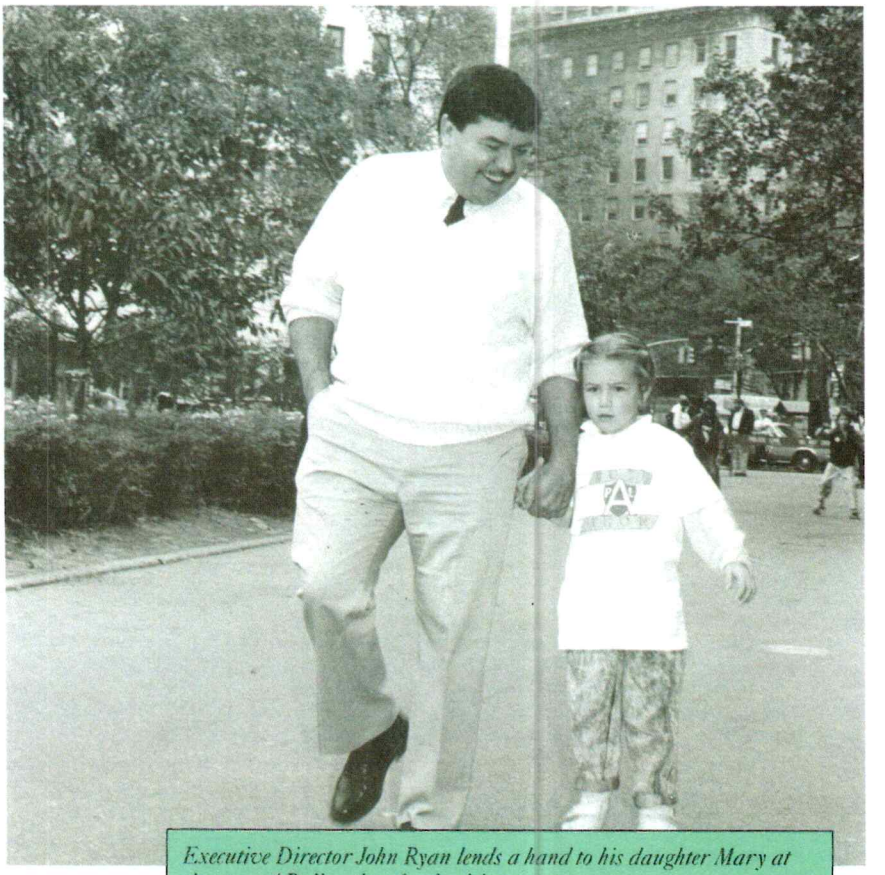
Benjamin Ward
Honorary President

REPORT FROM THE EXECUTIVE DIRECTOR

The 75th Anniversary of the Police Athletic League was a time to reflect on past achievements, while looking ahead to an even more challenging future for our young people. May, 1988 was officially proclaimed "PAL Month" throughout New York City by Mayor Edward Koch and all five borough presidents, launching our diamond anniversary celebration.

We highlighted the occasion by researching the early years of PAL from its founding in 1914. You will find a summary of the historical background in this annual report. The discoveries were fascinating. The agency enjoyed tremendous community support throughout its 75 years of service to the boys and girls of New York City. It was especially gratifying to see such stalwarts as Mayor Fiorello LaGuardia and heavyweight champion Gene Tunney serving on the Board of Directors in the 1940's. As early as 1914, we found an enlightened Police Commissioner Woods asking precinct captains to search their neighborhoods for vacant lots to be turned into play spaces for city children. The Police Department was committed to PAL's solid recreational, cultural and social programs as an important asset in the fight against juvenile crime. PAL continues this tradition of community service and crime prevention to this day.

As we take pride in PAL's history, our agency continues to grow and meet the ever-changing needs of inner-city youth. As we begin the final decade of this exciting and fast-paced 20th century, all of us stand committed to thoughtful, long-term planning, flexibility and maintenance of programs that are relevant and meaningful to the children of today.



Executive Director John Ryan lends a hand to his daughter Mary at the annual Roll-a-thon fund raising event.

1988 was a year of continuing expansion. Our summer programs increased the summer playsites to 92 locations, the largest number in over 20 years. Throughout the school year, PAL ran 63 full and part-time youth centers. In addition to the 10 full-time PAL centers, others operated in schools, church basements and wherever there was a need. The newer programs, often requested by community groups and interested parents, were placed in neighborhoods with little or no after-school, evening, and weekend activities for children. The total number of children served increased to an unprecedented count of over 55,000. At the same time, PAL staff worked hard to improve the quality and variety of programs offered.

In 1988, sports leagues were expanded as well with the help of the Community Relations Department of the Police Department under the leadership of Deputy Commissioner Wilhelmina Holliday and through the efforts of the Police Department-PAL Liaison Unit supervised by Lt. Phil Romano. A major highlight was the Three-On-Three basketball competition which involved some 800 teams in summer leagues. Rookie League baseball was expanded to 70 teams with the assistance of Dr. Bobby Brown, the President of the American League, with



the overall baseball program encompassing over 280 teams.

Special events and city-wide contests also played an important role in PAL's programs. The "Police Commissioner for a Day" essay contest, won by Dawn Holley from Queens, had the highest rate of participation in the recent past. The Illustrated Poetry Contest, the "Stories My Grandparents Told Me" essays and a host of other street games and city-wide events provided children with the opportunity to see new neighborhoods and play with youngsters of different ethnic and cultural backgrounds.

Highlights of special events included sponsoring an All Star baseball team to Tokyo, Japan for two weeks to play our Japanese friends. This was a once-in-a-lifetime opportunity for 16 boys from the New York area. With the support of PAL benefactor Carole Stupell, a group of 10 youngsters enjoyed a free trip to the Grand Canyon. These youngsters were chosen through the PAL full-time centers for their sportsmanship and general participation.

The exciting new In-School Training and Employment Program which opened in late 1987 was expanded in 1988 to serve 92 high school students. This program's key objectives provide part-time work during the school year for high school youngsters, based on their remaining in school and progressing satisfactorily in both school and work. Through In-STEP, we believe we will help prepare youngsters to meet the business needs of New York City in the future. We look forward to continuing expansion in 1989.

I would like to thank all our PAL supporters—individuals, corporations and foundations—who helped us raise the greatest amount of private dollars ever contributed to PAL. Since PAL's recreation programs are supported in large part by private contributions, these donations are essential to our continuing expansion and service to the most needy children of our city.

I would like to offer a special thanks to Robert Morgenthau, our President and the entire PAL Board of Directors for their active participation in a really exciting 1988. Their support for the Superstar dinner honoring Larry Fisher, as well as the fantastic concert given by Daryl Hall and John Oates, Cindy Lauper and Billy Joel was most gratifying. I would also like to thank the PAL staff. Their dedication to the children we serve and their willingness to make a commitment to long hours of hard work enable us to meet the mission and objectives of the Police Athletic League. I would like to stress how proud I am personally of our PAL staff and the work we do.

We believe that the judicious use of leisure time by children is an important function in any society. It is even more critical in the urban setting where the underprivileged members of our society are given few choices and often not many alternatives to the negative pressures of drugs, crime and other forms of anti-social behavior. We believe that PAL programs which provide young people with new skills, measured improvement and accomplishment, enhanced feelings of self-esteem and personal responsibility are crucial to allowing young people to grow and develop into productive and responsible adults.

As we move into 1989, may I wish all friends of PAL a Happy Birthday and hope that you will join us in celebrating our 75 years of service to the children of New York City.

John J. Ryan
Executive Director



YOUTH CENTERS

"Everytime I come home from PAL, I'm happy."

—Nicole, 8

PAL operates 63 full and part-time youth centers in disadvantaged communities in all five boroughs of New York City. At PAL centers, children spend after-school hours playing games, participating in sports, arts and crafts, drama, and music. Children receive homework help and tutoring. Children play in nearby parks and enjoy bus trips to points of cultural and historical interest. In addition, PAL centers offer evening programs for teenagers.

Staff members include directors, recreational leaders, teachers and activities specialists. Volunteers contribute significant support to programs and activities.

PAL is a place where children go to have a good time. Throughout the year, PAL offers a variety of special events for young people. Contests, competitions and holiday parties add to the excitement of youth centers.

Every youth center offers children the chance to play games such as checkers, nok hockey, pool, word games, board games and double dutch jump rope. In April, PAL held a "Games Day Tournament of Champions" where children from all boroughs competed to become champions in their specialties.

"The best part I like is arts and crafts. I play baseball, basketball, pool and I run around."

—Joe, 9

PAL's year-round boxing program is offered at seven centers, with an end-of-season tournament at Gleason's Gym in Brooklyn. In 1988, 60 PAL boxers qualified for the Golden Gloves, carrying on a 52-year tradition of excellence.



"When you're alone, there's no one to take care of you. At PAL, someone watches you."

—Tina, 8

Through a special progam, PAL and the Agency for Child Development reach out to children of displaced families living in temporary hotel housing. PAL provides hot meals, busing, and escort services and involves children in a stable, year-round program of recreation and education, with an additional therapeutic component.

Most centers have fully equipped libraries, indoor gyms, studios and kitchens. PAL centers open their doors to a wide-range of community activities. Foster-Laurie Center in Queens offers adult ceramic classes. Webster and Lynch Centers in the Bronx house senior citizens' programs.



PAL members in all their Borough Presid (above) was among as PAL Month.







Ken Korotkin Daily News



Ken Korotkin Daily News



ghs celebrated PAL's 75th Anniversary with Bronx Borough President Fernando Ferrer rough presidents to proclaim May, 1988

PRECINCT PROGRAMS

PAL is the official youth organization of New York's Police Department, although it receives no direct funding from them. Young people establish a healthy dialogue and rapport with police officers. The Police Department-PAL Liaison Unit works with community relations officers from the city's 75 precincts to identify young people for PAL programs, organize activities, recruit coaches and volunteers. The Unit also assists at special events, obtains permits and provides other organizational support.

Precinct Sports League

Team activities in basketball, soccer, track, baseball, softball and flag football serve close to 9,000 youngsters annually. The leagues are open to boys and girls and organized into teams by age levels. In 1988, a new paddleball progam was initiated with an exciting tournament featuring world-class players.

The Rookie League program is coordinated by the Liaison Unit with the assistance of Dr. Bobby Brown, President of the American League. Over 70 teams of children, ages eight to 12, enjoy learning to play baseball with the help of a pitching machine. The machine allows for increased participation, and light bats and air-filled balls reduce risk of injury to younger players.

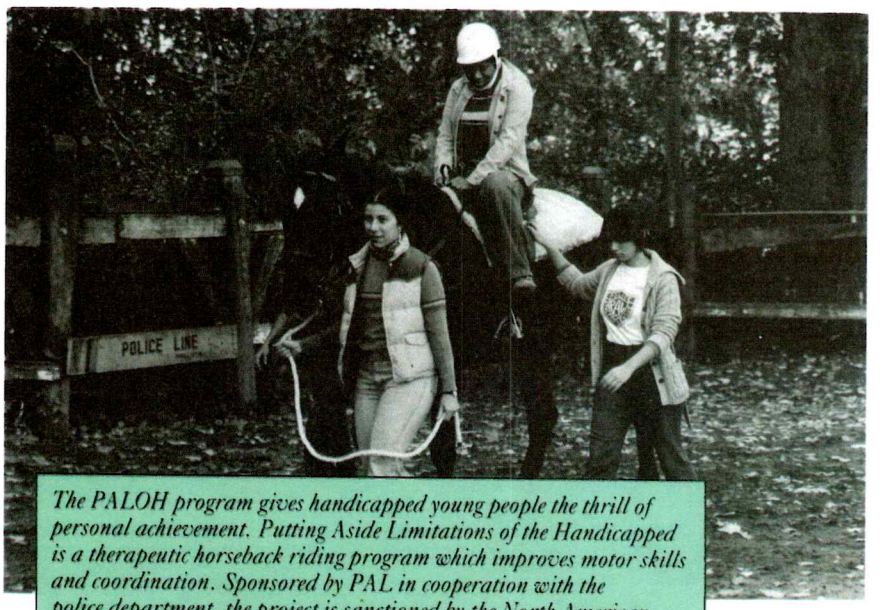
Police Commissioner for a Day

What would you do if you were Police Commissioner for a day? This annual essay contest challenges high school students to consider the responsibilities of police officers. In 1988, Dawn Holley of Queens won the position of Police Commissioner, and more than 70 other students became deputy commissioners, borough commanders, police chiefs and precinct commanders. Youngsters were sworn in at a ceremony at Police Headquarters.



Sergeant Robert Kronenberg shares a moment of warmth with six-year-old Asia at the PAL Central Park Carnival.

Cynthia Foran Special to the NYC Tribune



The PALOH program gives handicapped young people the thrill of personal achievement. Putting Aside Limitations of the Handicapped is a therapeutic horseback riding program which improves motor skills and coordination. Sponsored by PAL in cooperation with the police department, the project is sanctioned by the North American Riding for the Handicapped Association.

World of Difference

The Liaison Unit involved PAL children in the Anti-Defamation League's "A World of Difference" project. This national effort helps reduce bigotry and increase understanding of different ethnic groups through sports. Activities include basketball, martial arts and soccer.

SPECDA

The New York Police Department runs a School Program to Educate and Control Drug Abuse called SPECDA. Trained police officers visited PAL sites to discuss the dangers of drug abuse and peer pressure. This program uses a police robot, "Officer Roy", to reinforce drug awareness messages.



Police Department-PAL Liaison Unit. Top: (left to right) P.O. Raymond Perez, P.O. Michael Tramo, P.O. Jerry Gordon, P.O. Patricia Scarlett. Below: (left to right) Det. Charles Curtis, Lt. Philip J. Romano, Det. John Hunt.

CULTURAL ARTS PROGRAMS

PAL's cultural arts programs encourage self-expression and instruct children in creative disciplines. Children participate in dance, music, drama, photography, creative writing and video production. Kitty Kirby, Director of Performing Arts, feels, "We teach young people to use their minds and their hands. In a school system where arts programs are almost non-existent, these PAL programs are essential to tap the artistic potential of our city's youth."

Illustrated Poetry Contest

PAL holds this city-wide painting and poetry contest annually, and highlights the best work in their own calendar. The theme for the 1988 calendar was "Youth Salutes the Wonders of the Plant Kingdom". Hundreds of children received awards at the McGraw Hill Gallery in Manhattan. B. Altman also hosted a special exhibition of the winning art work.

Stories My Grandparents Told Me

PAL children take pride in their family heritage through an annual creative writing project called "Stories My Grandparents Told Me". In 1988, over 100 students received awards with their families at an elegant reception at the Salmagundi Club in Manhattan.

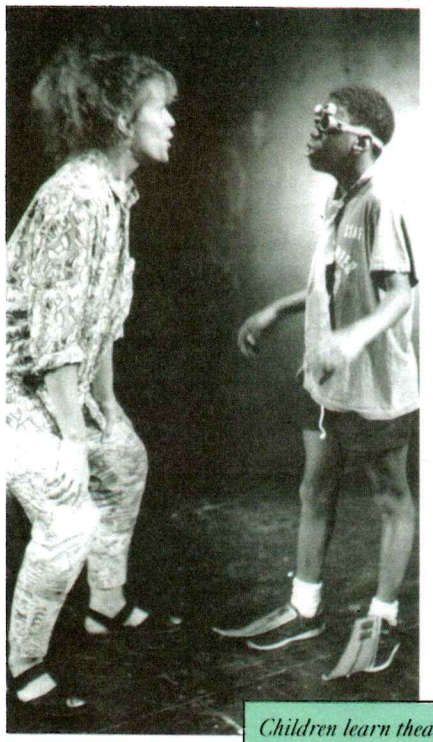
12-year-old Hope Van Velsen's grandparents lived in Holland during World War II. She writes: "My grandfather was called to the heart of the war to defend Holland. The morning my father was born half the neighborhood burned down. During the German occupation, the whole family was very hungry. It was a hard war and my grandparents were lucky to live through it. I'm so very glad they did!"

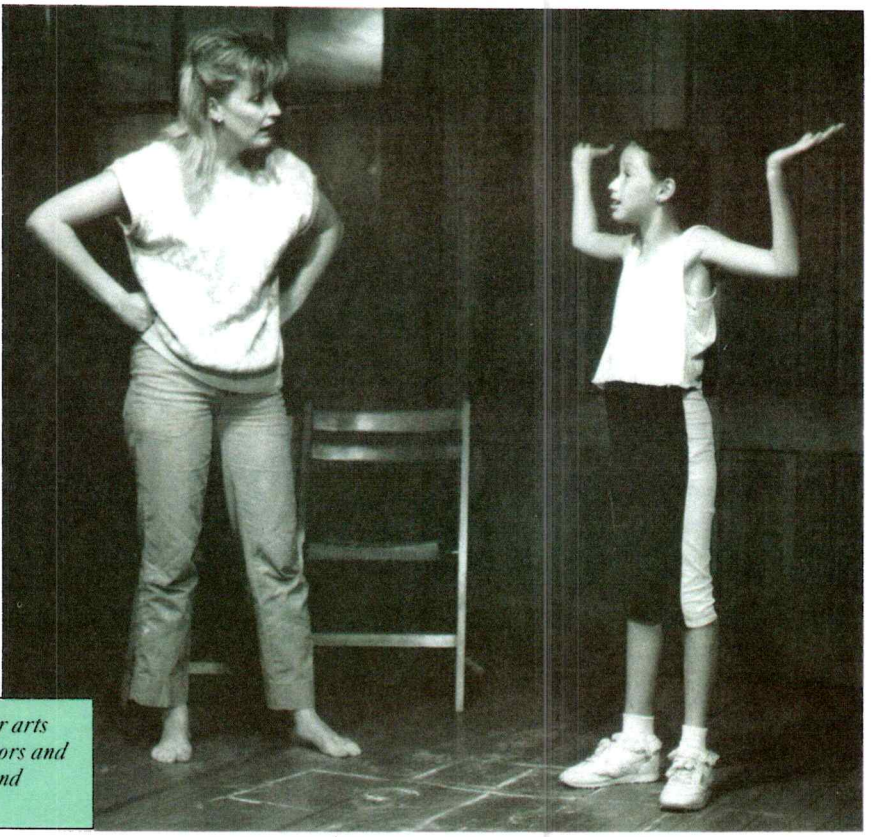


Children master video technology and develop a personal vision at PAL's video workshops.



At a holiday performance, children transcend the harsh realities of growing up in New York City when they step on the stage. The Nutcracker was performed by PAL's Children's Theatre, directed by Kitty Kirby.





Children learn theater arts from professional actors and playwrights at the 52nd Street Project.

52nd Street Project

The 52nd Street Project is a joint PAL/Ensemble Studio Theatre program under the direction of playwright Willie Reale. In 1988, 60 children participated in drama and writing classes. Nineteen children traveled to upstate New York to work one-on-one with playwrights. The resulting series of children's plays were produced in August.

Video Workshop

PAL's video workshop provides over 100 children ages 10 to 14 with video camcorder instruction including shooting, interviewing and script writing. In the summertime, children travel to playstreets to record activities and special events.



THE GREEN THAT CAN BE SEEN

By Jodi Lynn Schneider, 17
Bayside High School
PAL Precinct 111

In our city, vast and gray,
Where our plants are known to wither away,
There are those areas that we seek out,
Where nature's colors wake up and shout.

Those little patches
Of shades of green
Are very rare,
But can be seen.

The trees, the plants, the shrubs and all,
Change their coats in Spring and Fall.
In this jungle of concrete and glass,
We can still smell the scent of fresh cut grass.

SUMMER PROGRAMS



Fred R. Conrad NYT Pictures

When the temperature soars, PAL children cool off at an open fire hydrant on a playstreet.

When school is out, PAL gives 34,000 New York City children a place to have summer fun. PAL programs provide thousands of children with their only opportunities for organized, safe recreation during long summer days.

Playsites

In 1988, 92 playsites were set up in playgrounds and on city streets closed to traffic. Known as New York's "asphalt camps", playstreets offer sports, games, arts and crafts, music and dance. Children enjoy street games like skelly, hopscotch, nok hockey, checkers and jump rope. They also learn dance routines and go on trips to swimming pools, amusement parks and other fun destinations. The summer programs culminate in a Central Park Carnival for 5,000 children. Carnival activities include a parade, talent show, boxing demonstrations, and city-wide street games competitions.

Educational Day Camps

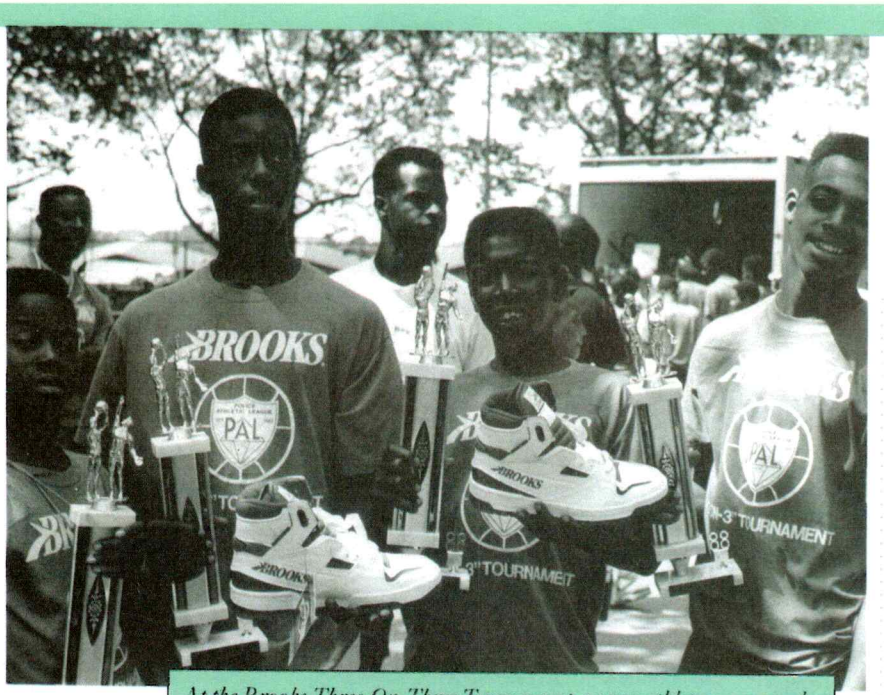
During the summer, PAL's full-time centers offer supervised programs, three meals a day, tutoring in Math and English, recreational and social activities.

Recreational Sports Camps

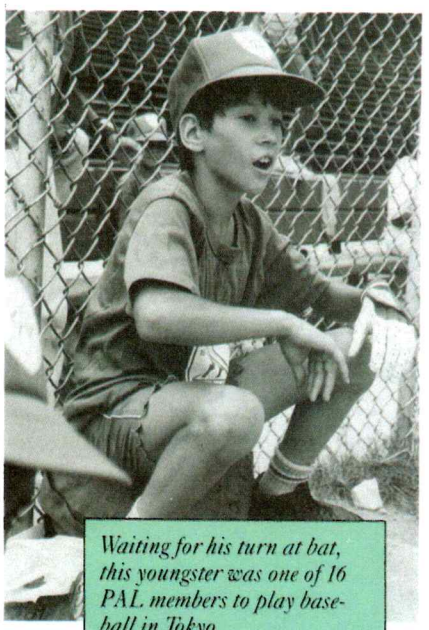
PAL sponsors an eight-week summer sports camp with instruction in soccer, track and field, tennis, martial arts and swimming by experienced coaches. With intensive practice and training, children learn to excel through self-discipline. In 1988, seven mini-sports camps teaching one sport were established.

Sports Leagues

Every summer thousands of youngsters play in baseball and softball leagues throughout the five boroughs. Tennis is also played at four locations.



At the Brooks Three-On-Three Tournament, young athletes won sneakers and trophies while playing a favorite summer sport.



Waiting for his turn at bat, this youngster was one of 16 PAL members to play baseball in Tokyo.



Kindness and consideration were two of the winning qualities for Mr. and Miss PAL contestants.

PAL All Stars in Tokyo

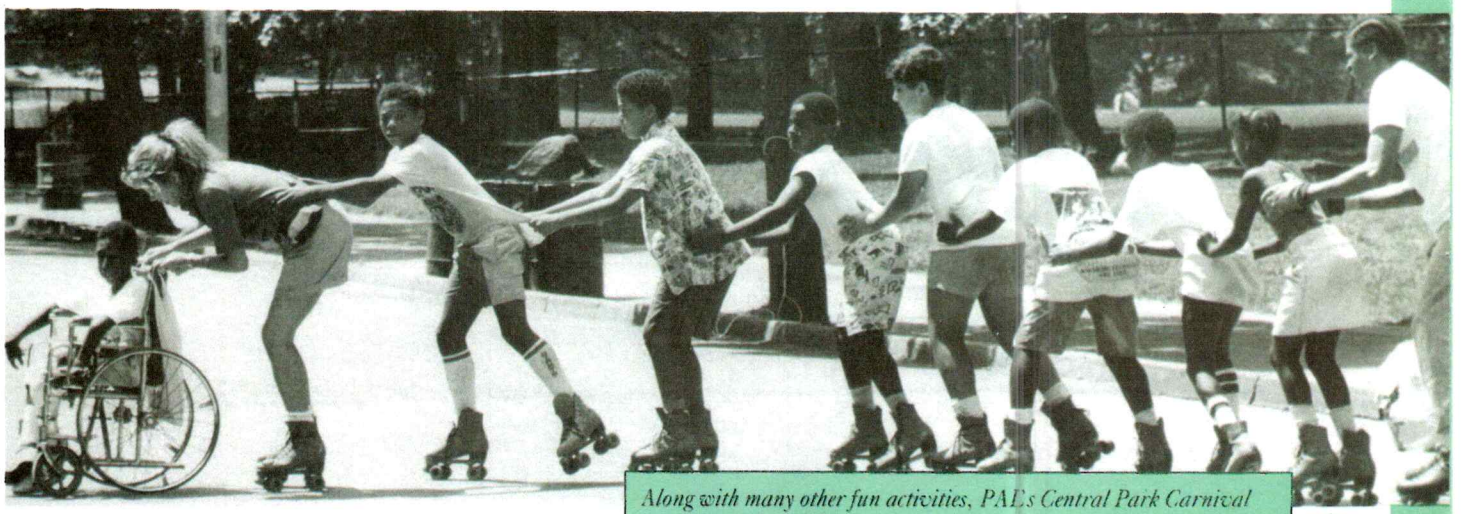
In 1988, 16 PAL boys, 11 and 12-year-olds, traveled to Tokyo to play baseball with Japanese all star teams. The program was organized by the Sister City Program of the City of New York.

Grand Canyon Expedition

In 1988, 10 PAL members explored the Grand Canyon and surrounding National Park Recreation Area. Participants were winners of an essay contest in a project sponsored by PAL supporter Carole Stupell.

Mr. and Miss PAL

At PAL playsites, special children were rewarded for demonstrating good sportsmanship and a friendly and helpful spirit. A boy and girl from each site were chosen as Mr. and Miss PAL. Winners of the contest were treated to a luncheon cruise aboard the "Spirit of New York".



Along with many other fun activities, PAL's Central Park Carnival was a great day to skate.

Vic DeLucia NYT Pictures

EDUCATION AND EMPLOYMENT PROGRAMS

Head Start

Beginning in 1964, PAL's Head Start program provides year-round pre-school for children, ages three to five. In 1988, 475 children participated in Head Start offering education, social services, health, nutrition, meals and parent involvement. Head Start parents can take advantage of GED classes, exercise and nutrition courses, as well as educational workshops.

Day Care

PAL helps disadvantaged working mothers with day care by providing educational experiences, supervised play and meals. In 1988, PAL group day care served 300 children ages two and a half to 12. Family day care which operates out of licensed homes served over 100 children from two months to 12 years old.

Rainbow Express Reading Project

PAL offers special reading programs to children six to 10 years old at Duncan Center in Manhattan and Lynch Center in the Bronx. Developed by WNET, the Agency for Child Development and Dr. Lesley M. Morrow of Rutgers University, the Rainbow Express Reading Project uses story tapes, videos, books, puppets and other learning materials to improve reading skills and interest children in quality literature.

Employment Program

PAL's employment program covers job counseling, placement, referral and follow-up for young people 16 to 21 years old. Many of these youngsters are marginally skilled, and have never held jobs before. Participants learn resume writing, interview techniques and get help with job-related problems.



In-STEP

The In-School Training and Employment Program (In-STEP) encourages students to finish high school while beginning a career path. PAL provides students with part-time employment opportunities that are conditional upon youngsters' school attendance and grade point average.

Outstanding Youth Workers

In 1988, PAL employed 400 youths in its summer programs. Fifteen young people were selected as Outstanding Youth Workers. The winners received employment scholarships from $500 to $1,500. Awards were based on job performance, essays and oral presentations of their work experiences.

Computer Training

PAL's summer computer workshop is offered at the Bronx Technical Center in conjunction with the Board of Education. The program, now in its sixth year, helps children gain computer skills which can further develop their employment opportunities.


POLICE
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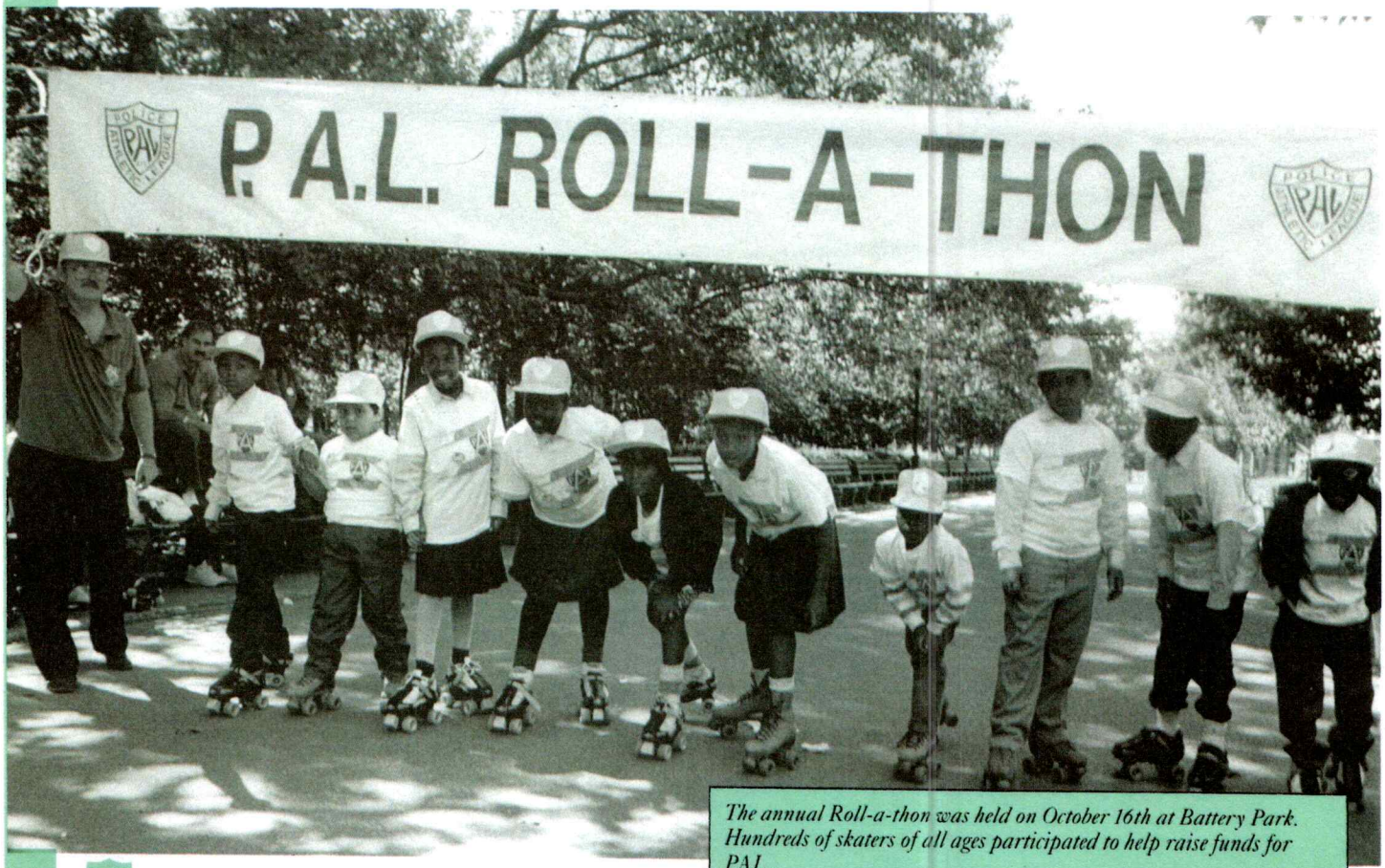
FUND RAISING

Although PAL is the official youth agency of the New York Police Department, it receives no direct funding from them. PAL's core programs receive 75% of their financial support from private sector donations: corporations, foundations, and nearly 100,000 individuals. Friends of PAL contribute amounts from one dollar to thousands of dollars each year. In addition, PAL receives government monies for a wide-range of special projects.

PAL's Development Office solicits foundation grants, develops corporate sponsorships, conducts fund raising mailings and holds special events to raise the more than $3.2 million required to maintain PAL programs—recreational, social, cultural, precinct and summer activities.



Larry Fisher, (at left) Senior Partner and CEO of Fisher Brothers, receives the Superstar Award from PAL President, Robert Morgenthau.



The annual Roll-a-thon was held on October 16th at Battery Park. Hundreds of skaters of all ages participated to help raise funds for PAL.



Richard Corkery Daily News

Hall & Oates enjoy meeting Isabelle Reyes, 9, and Nathan Stroma, 9, at PAL Duncan Center with PAL President Robert Morgenthau after being sworn in as new members.

Fund Raising Events

The pop music duo Daryl Hall and John Oates performed in an exciting benefit concert on June 29th at Radio City Music Hall. They were joined by special guests Cyndi Lauper and Billy Joel. The post-performance dinner at The Plaza featured a culinary "tour of the world." The event was co-chaired by Nelson Peltz, Chairman and CEO of Triangle Industries, Inc., and Walter Yetnikoff, President and CEO of CBS Records, Inc.

PAL's Superstar of the Year was Larry Fisher, Senior Partner and Chief Executive Officer of Fisher Brothers, who was honored at an elegant dinner at the Hotel Pierre on March 29th. The Superstar award was established in 1973 to honor an individual who has achieved outstanding success in his/her field and has served as a role model for young people. Steven J. Ross, Chairman and CEO of Warner Communications, Inc., and Lewis Rudin, President of Rudin Management Company Inc., co-chaired the event.



Daryl Hall is joined by Deputy Commissioner Wilhelmina Holliday, Walter Yetnikoff, President and CEO of CBS Records, Inc., Nelson Peltz, Chairman and CEO of Triangle Industies, Inc., with his son, Matthew, John Oates, and Robert Morgenthau, PAL President, at a dinner following the benefit concert.

FINANCIAL REPORT

is proud to report that total operating income of $4,352,206 for 1988 was the largest in its history. It exceeded the previous year's income by $910,747 of which $540,571 was from private sources and $370,176 was an increase in city monies for summer playstreets and precinct leagues. This income exceeded expenses of $4,088,194, resulting in a surplus of $264,012 which was used to partially repay borrowings from reserves in previous deficit years.

AUDITOR'S REPORT

To the Board of Directors
Police Athletic League, Inc.

We have audited the accompanying balance sheets of the Police Athletic League, Inc. and its sponsored government programs as of December 31, 1988 and the related statements of support and revenue, expenses, capital contributions and changes in fund balances, and functional expenses for the year then ended. These financial statements are the responsibility of the management of the Police Athletic League, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Police Athletic League, Inc. and its sponsored government programs as of December 31, 1988 and the results of its operations and the changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

Hecht and Company, P.C.

New York, N.Y.
June 28, 1989

FINANCIAL HIGHLIGHTS

Unrestricted Operating Support, Revenue and Expenses for the year ended December 31, 1988.

SUPPORT AND REVENUE:	
COMMERCE AND INDUSTRY	$ 392,625
FOUNDATIONS	526,920
GENERAL PUBLIC	690,619
SPECIAL EVENTS	1,272,635
MERCHANDISE MARKETINGS	227,799
GOVERNMENT AGENCIES	1,105,449
OTHER INCOME	136,159
TOTAL SUPPORT AND REVENUE:	*$4,352,206*

PROGRAM SERVICES:	
PRECINCT PROGRAMS	$ 234,513
CENTERS	1,482,703
SUMMER PROGRAMS	769,721
SPECIAL PROGRAMS	262,962
PROGRAM	156,995
TOTAL PROGRAM SERVICES:	*$2,906,894*

SUPPORTING SERVICES:	
MANAGEMENT AND GENERAL*	$ 564,331
DEVELOPMENT—DIRECT MAIL	616,969
TOTAL SUPPORTING SERVICES:	*$1,181,300*
TOTAL EXPENSES	*$4,088,194*
NET GAIN (INCOME OVER EXPENSES)	*$ 264,012*

*Management expenses are applicable to an additional $4.7 million of government-funded programs such as Head Start, Day Care and Youth Bureau Centers.

A copy of the latest financial reports filed with the Department of State may be obtained by writing to New York State Department of State, Office of Charities Registration, Albany, New York 12231, or the Police Athletic League, 34½ East 12th Street, New York, New York 10003.

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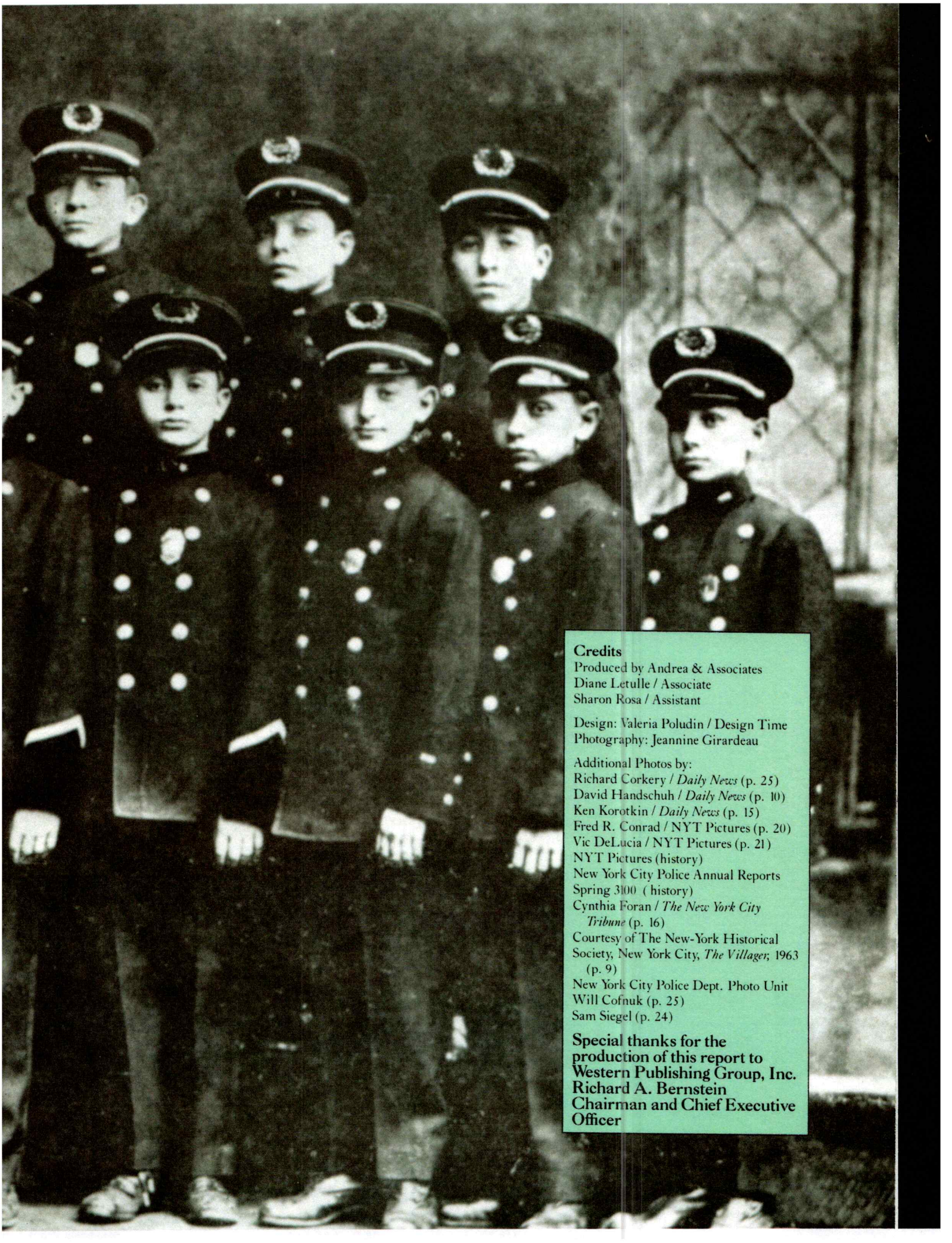
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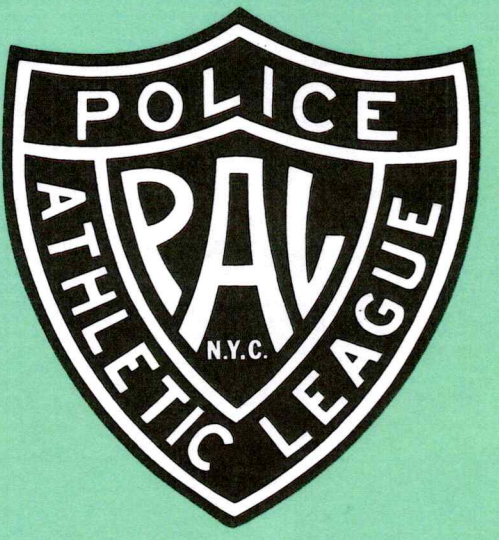


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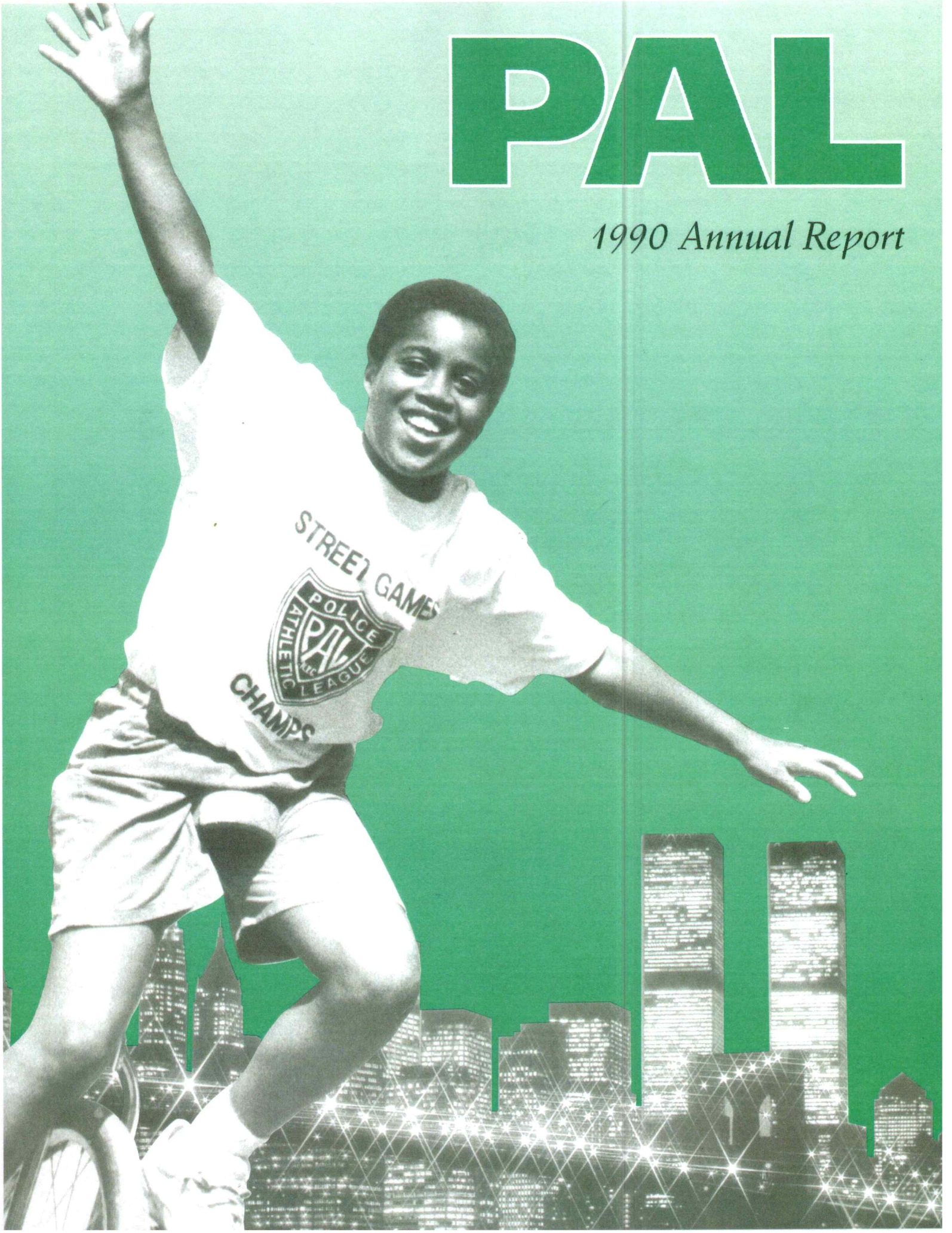
Special thanks for the production of this report to Western Publishing Group, Inc. Richard A. Bernstein Chairman and Chief Executive Officer



POLICE ATHLETIC LEAGUE, INC.
34½ East 12th Street, New York, N.Y. 10003
(212) 477-9450

PAL

1990 Annual Report



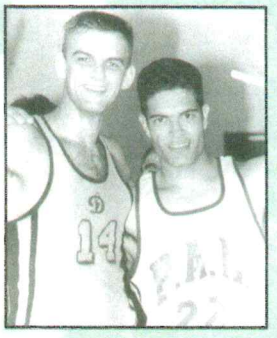
POLICE ATHLETIC LEAGUE



PAL is New York City's largest independent youth agency, serving 60,000 children, ages 3 to 21, throughout the five boroughs.

Founded in 1914 by Captain John Sweeney, PAL remains the official youth organization of New York's Police Department though it receives no direct funding therefrom.

PAL's youth programs originally consisted of athletics and recreation. And while those activities continue to be a vital part of its service, substantial cultural, educational and social programs have been developed over the years to help young people cope with the demands of a changing society. Moreover, by operating in the heart of impoverished neighborhoods, PAL has been able to respond to a community's fundamental needs with such pioneering programs as Summer Playstreets, Head Start, Day Care, and Educational Day Camps.



Dedicated to improving the quality of children's lives, PAL provides a wealth of positive experiences and adult role models to counteract the negative influences found in the mean streets of New York City. The many services offered by its full- and part-time Youth Centers, as well as its special precinct programs, reach out to every corner of the inner city.

PAL provides a place for children to exercise their minds and bodies in supervised and supportive environments. It offers a path to a more productive and personally fulfilling future. Such former PAL youngsters as Sugar Ray Robinson, Althea Gibson, Whitey Ford, and former Police Commissioners Benjamin Ward and Robert McGuire, attest to the value of its 77-year commitment.

PRESIDENT'S MESSAGE



During my 27 years as President of the Police Athletic League, I have come across many successful and productive men and women who were members of PAL and who participated in our educational and sports programs. Without exception, they say that PAL was an important experience at a critical time in their lives.

Former PAL graduates have talked to me about PAL employees and volunteers who were some of the most positive adult role models they ever met. They have told me about the friendships made, the games played, and the academic and social lessons learned. But, most of all, they express a feeling of gratitude that, regardless of whatever else was going on in their lives, PAL was always there, waiting with a bat and ball, a book, a meal, and open arms.

Everyone needs a boost now and then, something that renews and revitalizes both body and spirit. The stories men and women have told me over the years regarding the positive effect PAL had on their lives is my personal source of renewal. They illustrate the importance of the work PAL does. They show, in a very moving way, the positive influence PAL has had on so many New Yorkers for so many years.

Recollections of former PAL kids also remind me that the reason for PAL's success can be found in the dedication of our program and administrative staff, headed by John Ryan, a former PAL kid and a PAL employee for more than thirty years. In addition, what better role model can be found for our city's kids than its Police Commissioner, PAL's Honorary President, Lee Brown. And, finally, what clearer examples of social responsibility and concern can be demonstrated than in the effort and generosity of our Board of Directors, PAL volunteers, our thousands of contributors, and the print and electronic media that have helped keep our kids in the minds and hearts of New Yorkers.

To all of the above, my sincerest thanks for a collective job well done.

Robert M. Morgenthau

Robert M. Morgenthau
President



POLICE COMMISSIONER'S REPORT



As Police Commissioner, it has been my pleasure to serve as Honorary President of the Police Athletic League. I especially want to congratulate Bob Morgenthau, John Ryan, and the entire PAL staff for their outstanding efforts in providing much needed services to the youth of the city.

It is an unfortunate reality that the need for PAL's programs has greatly increased over the past decades. We are all aware of the problems facing inner-city youth and their families. In the various cities I have worked throughout my career – San Jose, Houston, Atlanta – I have recognized the value and importance of PAL programs in a child's life. I firmly believe that the youth of New York City are extremely fortunate to have the opportunity to participate in the educational, recreational, cultural and social programs that PAL offers.



It is PAL's philosophy that prevention is crucial to the positive growth of our children. It is much better, not to mention cost effective, to provide positive alternatives than to pay the high costs of incarceration, as well as the unquantifiable cost to human lives. PAL programs, such as sports leagues, homework help, creative arts, performing arts and teen employment training, provide a base to help kids avoid the dangers of substance abuse, juvenile delinquency, dropping out of school and teen pregnancy.

One unique aspect of PAL that I am particularly proud of is the sustained and positive involvement of officers of the N.Y.P.D. with these youngsters. This relationship, continually evolving over the past 77 years, has played an integral role in the lives of the city's youth. Through participation in PAL programs such as sports leagues, special events, Summer Playstreets, and drug prevention workshops, the police officer is recognized as a real person and not just someone with a badge and a gun. This relationship is vital to my goal of facilitating understanding and mutual respect between civilians and the police department.

I would like to acknowledge and thank you, the people of New York City who support PAL in its efforts. PAL is heavily dependent on the financial support of individuals, corporations and foundations, and this support is essential, especially in these troubled times, for PAL to continue to provide positive opportunities for youth. I hope that you will continue your generous support; I know that you will not be disappointed in the results.

In closing, let me reiterate my appreciation to the PAL staff, its supporters and volunteers. Your hard work does make a difference.

Commissioner Lee Brown
Honorary President

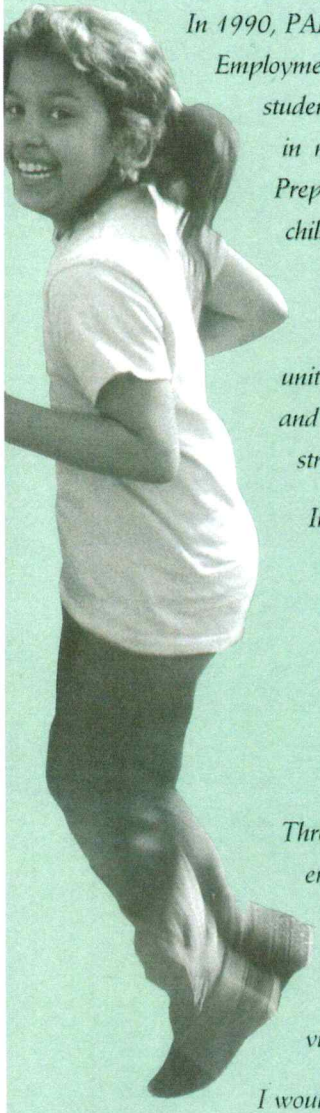
EXECUTIVE DIRECTOR'S REPORT



1990 was a good year for PAL and for the 60,000 youngsters we serve. The numbers are impressive:

Youth Centers: 72 - up from 22 five years ago.
Playstreets: 120 - compared to 23 in 1985.
Sports Teams: 1100 - in soccer, baseball, basketball and flag football.

Five Head Start centers, three Day Care centers, and many cultural and educational programs were added. To accomplish this, PAL's Board expanded its fundraising outreach to individuals, foundations and corporations. PAL also sought additional funding from other government sources. I would like to take this opportunity to thank all our supporters for helping us double our private sector income over the last five years.



In 1990, PAL included more specialized programs. 82% of our In-School Training and Employment Program seniors entered college. After-school homework help enabled students to improve their scholastic standing. Film and video workshops, programs in music, dance and drama, essay contests, and High School Examination Preparation Training provided for the cognitive and affective development of our children.

A major drug prevention program was included in several of PAL's Summer Playstreets. Two uniformed police officers from the N.Y.P.D. SPECDA unit and a prevention counselor provided drug education as well as group and one-to-one counseling. This program enabled us to literally "take back the streets" for our children.

In addition to being the largest youth agency in our city, we are unique in that:

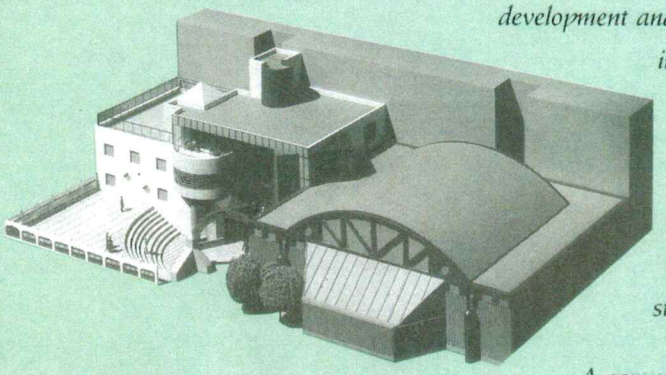
- *PAL, spends more than 85% of its dollars on youth programs.*
- *PAL's special relationship with police promotes better relations between "cops and kids" and communities.*
- *PAL services areas where other agencies do not go.*
- *PAL services are provided free of charge.*
- *PAL accepts boys and girls of all backgrounds.*

Throughout its history, PAL has had the support of civic leaders, sports heros, entertainment celebrities, business executives, and countless thousands of good-hearted, hard-working men and women who understood that kids are the future. Through the ongoing aid of such caring men and women, PAL will continue to make certain that even the poorest, littlest and most vulnerable among us will have the same opportunities all other kids have.

I would like to thank all of our generous supporters, as well as PAL's employees, for another year of work well done.

John J. Ryan
Executive Director

CAPITAL CAMPAIGN



In planning for the 90's and the next century, it was decided that the problem of facility development and/or renewal had to be addressed if PAL was to remain a vital force in the inner-city communities it serves.

For most of its history, PAL has taken such structures as abandoned buildings, firehouses, courthouses and supermarkets, and turned them into recreational facilities. However, the need to put operating funds into children's services left insufficient funds for the maintenance of these structures. Consequently, they must now be replaced or refurbished.

A campaign to raise $41.6 million in capital funding by 1993 was approved by the PAL Board of Directors in 1989. The plan calls for the construction of four new, full-time PAL Centers, the purchase and repair of the Hollis, Queens, Center, repair and refurbishment of six existing Centers throughout the five boroughs, and the purchase of new furniture and equipment for all 11 full-time Centers.

The establishment of an endowment fund to provide resources for future maintenance of all PAL structures is also included in the overall campaign plan.

To date, more than $15 million of the $41.6 million needed by 1993 for building, repair and maintenance of current and future PAL facilities has been raised.

Following are a list of specific campaign objectives and a breakdown of projected building and refurbishment costs.

■ **Physical Improvements** **$36,600,000**

A. New Construction $32,000,000

Construction of 4 new full-time PAL Youth Centers at $8,000,000 each, as follows:

South Bronx	(To replace Lynch Center)
Central Harlem	(To replace Phipps Center)
Bedford Stuyvesant	(To replace Wynn Center)
So. Jamaica	(New Center)

B. Repair/Refurbishment $2,000,000

Repair and refurbishment of 6 existing PAL Centers.

C. Equipment and Furniture $2,600,000

Repair and replacement of equipment and furniture in all 11 full-time PAL Centers.

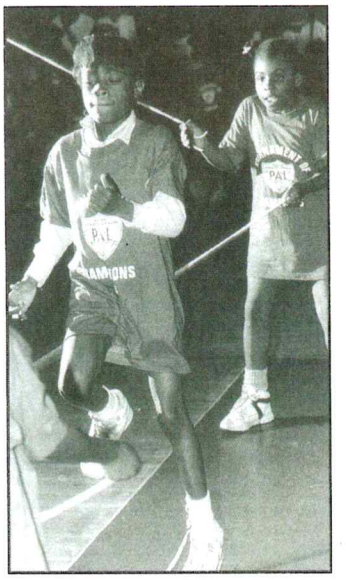
■ **Endowment** ..... **$ 5,000,000**

Endowment to provide funds for scheduled maintenance of all 11 full-time PAL Centers.

■ **Total Capital Objectives** **$41,600,000**

POLICE ATHLETIC LEAGUE PROGRAMS

PAL provides free, year-round after-school and evening educational and recreational programs to disadvantaged, inner-city kids. Our programs increase social and academic skills and build self-esteem. They stretch the mind and strengthen the body. They transform boredom and despair into excitement and hope.



■ Youth centers

PAL provides year-round, supervised athletics, games, crafts, cultural arts, remedial and tutorial programs, and a place for study and socializing for young New Yorkers ages 3 to 21.

Most Youth Centers have libraries, indoor gyms, arts and crafts rooms, photography dark-rooms, and kitchens. They are open five days a week, serve three meals a day during the summer, and after-school snacks and supper during the school year. There are 10 full-time and 61 part-time centers.

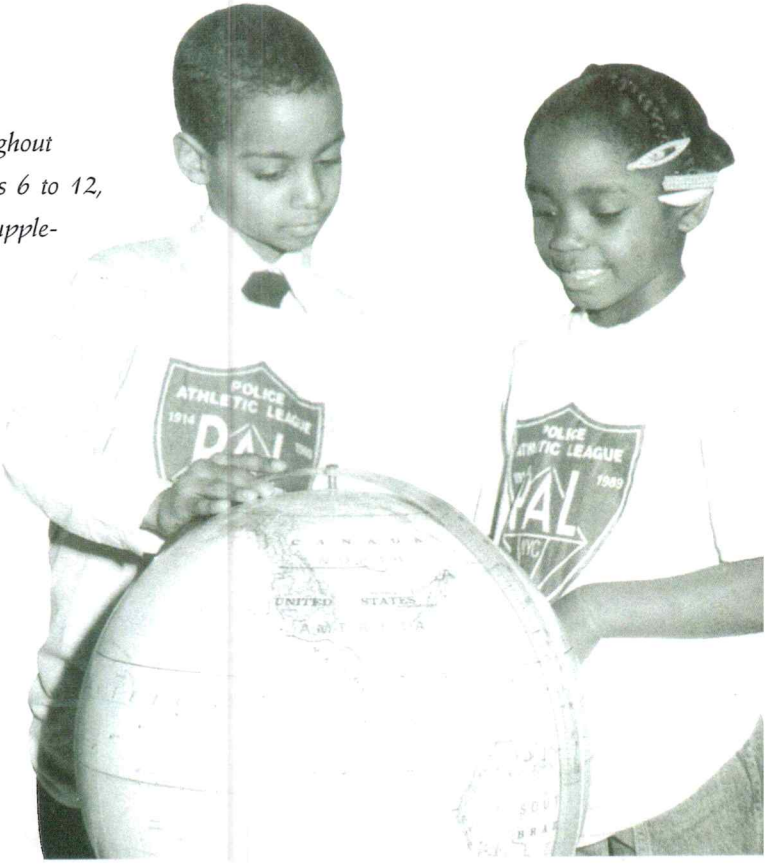
■ Playsites

Playsites offer poor, inner-city children a positive alternative to hanging around drug- and crime-infested streets during the summer months. There are 120 playsites located in New York City's five boroughs. Playsites are either streets closed to traffic, or parks, playgrounds and schoolyards where children may enjoy supervised recreational, cultural, and educational activities.

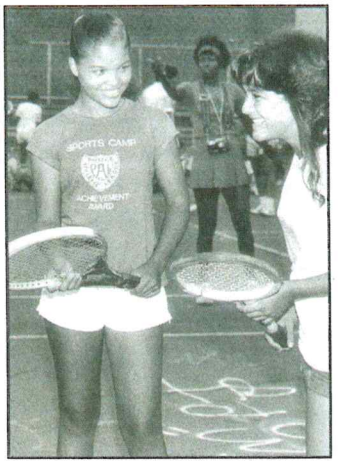
Playsites operate for seven weeks, five days a week, throughout July and August. Each playsite serves an average of 175 children per day.

■ Educational Day Camps

Educational Day Camps are operated in full-time centers throughout the summer. Each camp provides more than 100 children, ages 6 to 12, with organized instruction in math and reading. Classes are supplemented with a wide variety of enriching field trips to museums and places of historical interest.



POLICE ATHLETIC LEAGUE PROGRAMS



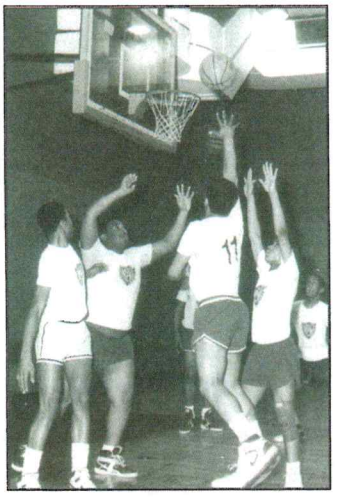
■ The Washington Heights Sports Camp and Neighborhood Sports Sites

The Sports Camp located at George Washington High School provides more than 700 youngsters with intensive training in tennis, swimming, track and field, martial arts, soccer and baseball. It offers inner-city children an opportunity to acquire athletic expertise as well as personal qualities of discipline, sportsmanship, fortitude, and confidence.

The sports sites derive from the sports camp and are located in parks throughout the five boroughs. All sports programs operate in the summer, five days a week, for seven weeks. They serve more than 400 children.

■ Precinct Sports Leagues

Local Community Affairs police officers in each of the city's 73 precincts organize 500 basketball teams, 200 baseball teams, 100 softball teams, 20 volleyball teams, 15 soccer teams, and 20 flag football teams. All coaches are volunteers, and PAL's Police Department Liaison Unit is responsible for organization and schedules.



This program improves social skills and self-discipline and promotes understanding between New York City's youth and Police. More than 20,000 youngsters are involved in PAL precinct leagues each year.

■ Boxing Program

The PAL Boxing Program provides training for more than 600 boys in 7 locations throughout the city. Youngsters, supervised by professional boxers and coaches, compete in PAL Citywide Championships at Gleason's Gym. Many of the older boys advance to the New York "Golden Gloves" tournament and compete as PAL boxers in national competitions.

■ After-School Cultural Programs

Throughout the year, youngsters are offered the opportunity to develop their talents in such creative disciplines as dance, theater, visual arts, video production, photography, poetry, music and ceramics.

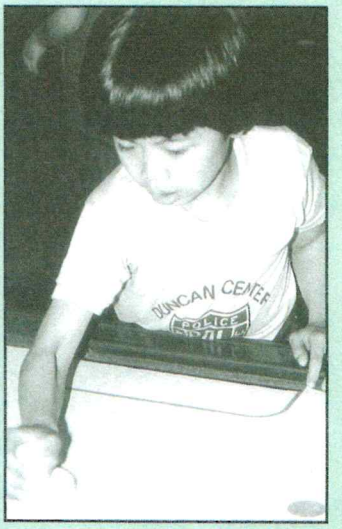


■ Steel Drum Band

Year-round musical instruction is offered for approximately 25 members of PAL's Phipps Center in Central Harlem. The youngsters learn to play the steel drums – a unique Caribbean tradition – and perform at community events throughout the year.

POLICE ATHLETIC LEAGUE PROGRAMS

■ In-School Training and Employment Program



The In-School Training and Employment Program (In-STEP) provides 120 disadvantaged teenagers with job training, counseling, placement and educational reinforcement. It prepares them for employment in New York's competitive marketplace.

The teenagers receive part-time, year-round employment at a PAL Youth Center and a small weekly stipend. They must maintain acceptable grades and attendance levels in order to remain in the program. Approximately 120 teenagers participate annually.

■ Police Commissioner for a Day

Police Commissioner for a Day is an essay contest attracting over 2,000 junior high and high school students who write about how they would address a particular social issue as Police Commissioner. The winner accompanies NYC Police Commissioner Lee Brown on his official duties for an entire day. Runners-up serve as Deputy Commissioners, Area Commanders and Precinct Commanders.

■ Illustrated Poetry Contest

Entrants from PAL Youth Centers, local precincts and schools create art and poetry depicting a particular theme for this contest. Winners are recognized at a special ceremony, and their entries appear in PAL's annual calendar. Awards include art scholarships and trophies.

■ Stories My Grandparents Told Me

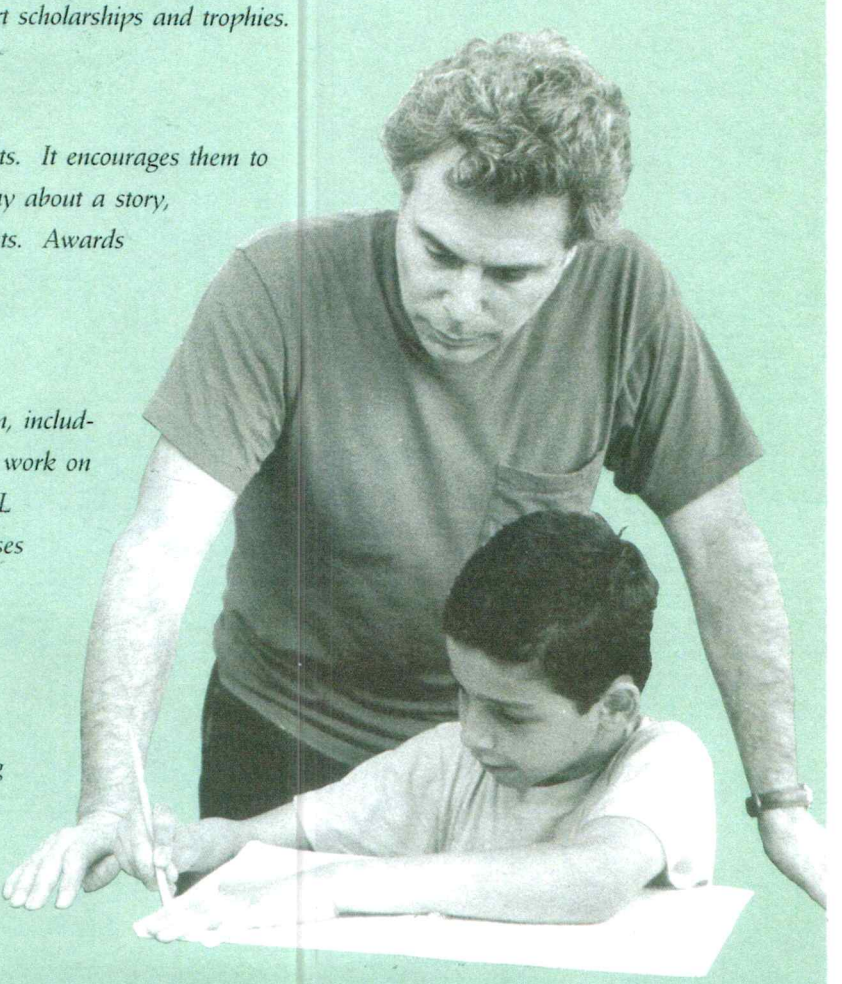
This contest is open to all junior high and high school students. It encourages them to learn about their own ethnic heritage. Entrants write an essay about a story, legend or anecdote passed down to them by their grandparents. Awards are presented at a formal ceremony with local dignitaries.

■ Video Workshop

This workshop teaches kids the mechanics of video production, including filming, editing and equipment maintenance. Youngsters work on original projects as well as on the documentation of other PAL programs. Completed videos are used for educational purposes and PAL promotions.

■ Outstanding Youth Worker Awards

15 participants in the Summer Youth Employment Program (SYEP) are awarded a part-time job at a PAL Center during the school year. Winners are chosen by work performance, supervisor recommendation, and a written essay on their summer job experience.



SPECIAL EVENTS

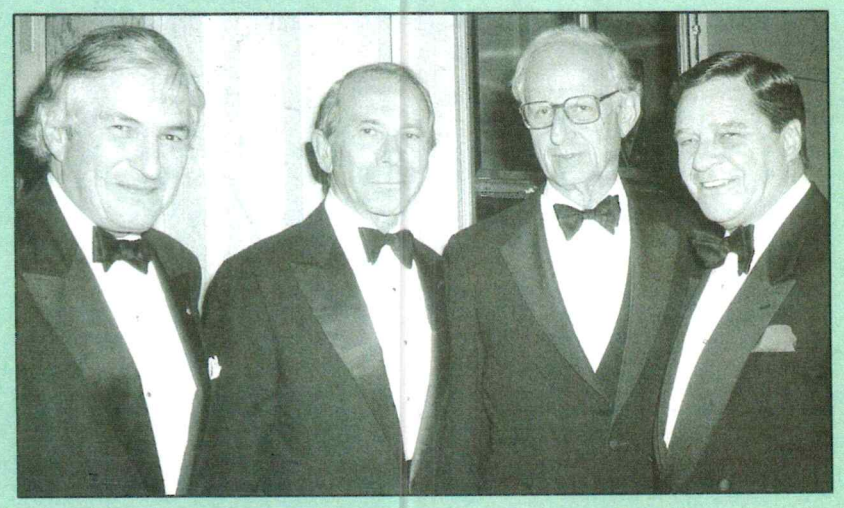


The 18th Annual PAL Superstar Dinner took place on March 29th at The Waldorf-Astoria. The honoree for 1990 was Maurice R. Greenberg, Chairman of American International Group, Inc. Mr. Greenberg was honored for his philanthropic activities and for his dedication to the disadvantaged children of New York. James D. Wolfensohn, President of James D. Wolfensohn, Inc., chaired the event which featured international superstar Liza Minnelli and popular comedian Freddie Roman. The dinner raised $1.4 million.

The second PAL "Women of the Year" Luncheon, sponsored by Chase Manhattan Bank, was held at The Pierre on December 6th. Mary McFadden, internationally renowned fashion designer, chaired the Luncheon. Five women were honored for their outstanding achievements: Althea Gibson, Judith Jamison, Sally Jessy Raphael, Liz Smith and Gloria Steinem. The Luncheon raised $115,000.

The first official PAL Christmas Party was held on Saturday, December 15, 1990, at the Roseland Ballroom. The event was a truly magical one, with 800 children enjoying the attention and entertainment provided by visiting celebrities. The celebrities, who included Sesame Street's "Cookie Monster" and "Maria," TV meteorologist "Mr. G," and former New York Yankee first baseman Joe Pepitone, gave each PAL kid a bag filled with presents. Santa also made an appearance, handing out his gifts with a hearty "Ho! Ho! Ho!" The event raised $48,100.

◀ Liza Minnelli lit up the 1990 PAL Superstar Dinner



▲ The 1990 honoree of PAL's Superstar Dinner, Maurice R. Greenberg, (second from left) is joined by the event's Chairman, James D. Wolfensohn (far left), PAL President Robert Morgenthau (second from right), and PAL Director William Fugazy.

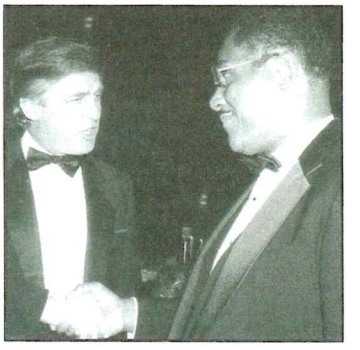


◀ The Superstar "Kickoff" Party was hosted by the late Malcolm Forbes (left), seen here with New York City Mayor David Dinkins.

FUND RAISING

Although the Police Athletic League is the official youth organization of the New York Police Department, it receives no direct funding therefrom. PAL's Development Office is responsible for soliciting corporate and foundation grants; conducting direct mail campaigns; and presenting special fund-raising events. In 1990, $3,526,375 was raised to maintain and expand PAL programs.

Private sector donations account for 60% of the funds needed to operate PAL education and recreation programs. This comprises contributions from corporations, foundations and close to 100,000 individuals. In addition, some PAL centers, playstreets and special projects are funded by the city.



▲ Commissioner Lee Brown meets with a PAL supporter and Director, Donald Trump.

PAL's Second Annual "Women of the Year" Luncheon, chaired by Mary McFadden, honored (left to right): Gloria Steinem, (McFadden), Liz Smith, Sally Jessy Raphael, Judith Jamison and Althea Gibson. ▶





◀ Santa Claus brought hugs as well as gifts to PAL's Christmas Party.



▲ Sesame Street personality, Maria, entertains one of the 800 children who attended PAL's first official, and very successful, Christmas Party. Joining Maria were Sesame Street's "Cookie Monster," former N.Y. Yankee star Joe Pepitone, and TV's "Mr. G."

PAL ALUMNI SPEAK OUT



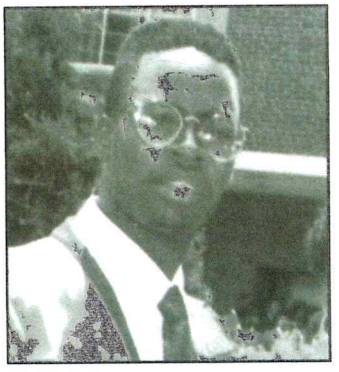
Following are comments from graduates of PAL's 1990 In-School Job Training & Employment Program (In-STEP), all of whom are currently studying for degrees at various New York educational institutions.

Asiyah Bakirridin – PAL Webster, currently a Pre-Law student at St. John's

"PAL In-STEP was of great help and influence on me and I'll always be thankful for everything PAL has done and helped me to gain."

Pablo Ramirez – PAL Duncan, currently studying Fine Arts at the Fashion Institute of Technology

"What I enjoyed most was the high-paying summer job that PAL got for me."



Joan Alvarado – PAL Duncan, currently a Pre-Law student at Fordham University

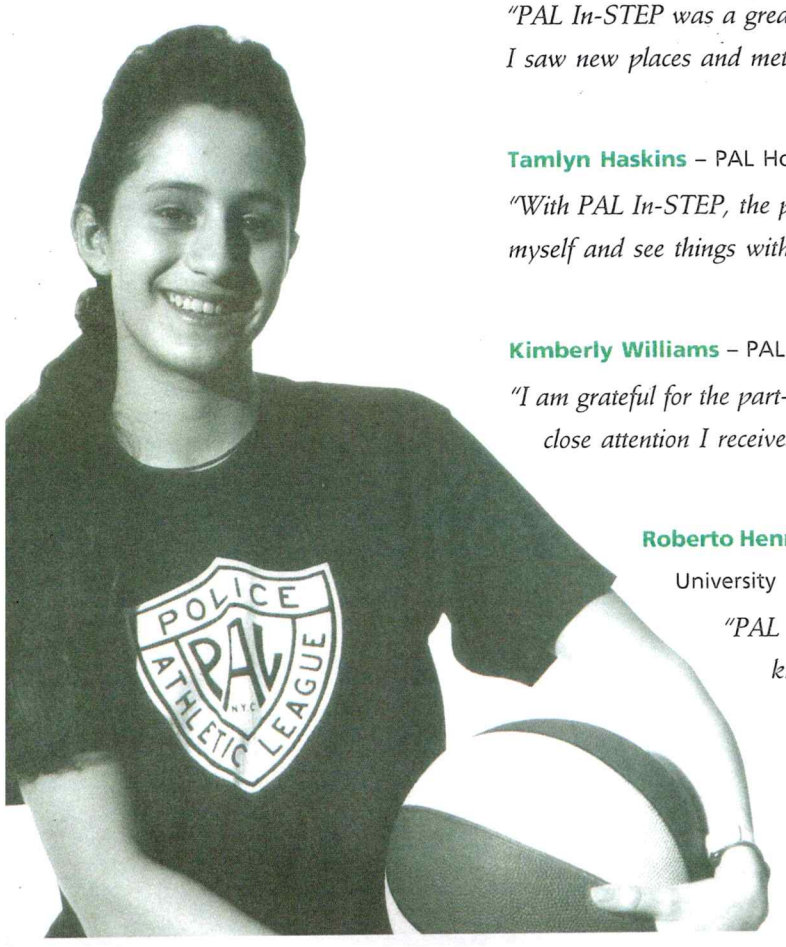
"PAL In-STEP gave me a chance to do something I really wanted to do, and that was working with kids. I enjoyed the job."

Duane Fernandez – PAL Schwartz, currently studying Communications in the U.S. Army

"PAL In-STEP stuck by me all the way and was there whenever I needed special help."

Anthony Bert – PAL Schwartz, currently studying Architecture at the New York Technical College

"PAL In-STEP was a great program. It helped me to grow and become caring and giving. I saw new places and met new friends and got a great job."



Tamlyn Haskins – PAL Howard Houses, currently studying Accounting at City College

"With PAL In-STEP, the people really cared and have helped me to make something out of myself and see things with a professional attitude."

Kimberly Williams – PAL Garcia, currently studying Biology at the College of Staten Island

"I am grateful for the part-time, after-school job that PAL In-STEP provided for me, and the close attention I received in my last few weeks of high school."

Roberto Henry – PAL Foster Laurie, currently studying Sports Medicine at Hofstra University

"PAL In-STEP surrounded me with love. It helped me to increase my knowledge, acquire experience, and get good advice. To me, PAL will always be cherished memories."

1990 CONTRIBUTORS

On behalf of 60,000 boys and girls, we thank the following for their contributions to PAL during 1990.

$250,000 and over

Larry Fisher
Starr Fdn.

$100,000 - $249,999

Revlon, Inc.
Rose Associates
Arnold & Marie Schwartz Fund
Time Warner Inc.
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$50,000 - $99,999

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Harold & Isabel Feld Fdn.
Mark Fichtel
Fiduciary Trust Co.
William Field
Elaine K. Firstenberg
N. Fisher
Paula Fisher
Joseph Fitzpatrick
F.J.W. Textile Corp.
Gerald Flintoft
John Foerst
Food Enterprises of New York
David B. Ford Fdn.
Forstmann, Little & Co.
Four M. Corp.
John L. Fox
Beatrice Freire
Robert & Linda Friedman Fdn.
Stephen & Barbara Friedman Fdn.
Elizabeth H. Fuller
G.A.G. Charitable Corp.
Frederick W. Garry
Robert M. Giordano
Dr. Linda Gochfeld
Golden Family Fdn.
Greg Gomez
Anita D. Goodman
Phyllis Gordon
Paul Grand
Bert L. Gusrae
Robert & Ellen Gutenstein Fdn.
Richard A. Gutman
Nadine Bonnie Hack
Elizabeth Hagen
Vivian Haime
Stephen L. Hammerman
Gwenda & John Hanson Fund
Hargro Fabrics, Inc.
Harlem USA Payment Center, Inc.
Dudley M. Harman
Carmela Rose Harper
Dina M. Hartley
Hayden Family Fdn.
Hecht & Company, P.C.
Thomas Heftler
Georgia Hiden
Evelyn Hill Inc.
Mrs. Turi L. Hirsch
Paul M. Hoffman
Holborn Agency Corp.
Hollywood Pictures
Stephen W. Hornyak
William Huffman
Richard Hulbert
Robert & Fern Hurst Fdn.
Elaine Hutton
Mrs. David R. Hyde
IFF Fdn.
Intimate Apparel Square Club
Dr. Gary Inwald
Ionian Transport, Inc.
Carol D. Isermann
Jamaica Savings Bank
Mr. & Mrs. Anthony Japha
Johnson & Higgins
Carter Jones
Edwin Kabakow
Irving B. Kahn
Margery & Harry Kahn Fund
Shin-Chio Kai
Robert J. Katz
George S. Kaufman
Hilde Kaufmann
Kautz Family Fdn.
Gail B. Kaye
Kemper Group
Edward J. Keneske, Jr.
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David & Sadie Klau Fdn.
Judah B. Klein
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John Koester
Ellen M. Krass Productions, Inc.
Jane Kreiger
Mr. & Mrs. Boris Kupermann
Kurtz Family Fdn.
Hank Lane
Albert G. Lanier
Mrs. Paul Lapidus
Lastfogel Fdn.
Andrew M. Lawler
Michele M. Lazar
Tranaquil Le Clercq
Samuel J. & Ethel Lefrak Fdn
Shelley Liezman
Mrs. Fernando Leval
Hon. Pierre N. Leval
Barbara Levy
Peter A. Levy
George S. Lewis
Vera List
Loehmann's Inc.
Long Island City Savings
Long Mountain Road Fdn.
Mabon Nugent & Co.
E. Mallinckrodt
Mr. & Mrs. Neil Martin
Marjorie McConnell
Mrs. J.B. McKitterick
Bernard Mendick
Francis Menton
Mercedez-Benz of North America
Merrell
Warren Metzler
Bertie Meyer
Ruth F. Meyer
Roger Milgrim
Henry S. Miller
Steven J. Miller
Mrs. Harvey Mirsky
Joe Moore
William J. Moore
Eugene H. Morgan
Mulvihill Family Fdn.
National Urban Fellows, Inc.
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Robert Plan Corp.
Milton & Lillian Pollack Fdn.
Poppiti Fdn.
Mrs. William Potter
Price Waterhouse
Psaty Fdn.
Pyramid Fdn.
John M. Quinn
Rabobank Nederland
Judith S. Randal
Mrs. Frank Rank
H. Rapaport
Genia Rapoport
Harriet Rath
Rathe Productions Inc.
Readers Digest Fdn.
Republic National Bank of NY
Peggy Rice
Anthony Riggi
Anthony W. Roberts
Donald M. Roberts
Richard & Dorothy Rodgers Fdn.
Mr. & Mrs. W. Rogers
Winifred C. Roscoe
Andrew H. Rosenthal
Mrs. Sylvester Rothchild
Murray A. Ruben
Mrs. Arthur H. Rubin
Edwin Russell
Safra National Bank of N.Y.
Safran Foundation
Saks Fifth Avenue
Stewart Salovaara Fdn.
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Charles E.F. Sandmel
Edgar W. Sands
Franklyn Schaefer
Raymond Scheer
Carol & Stuart Schlesinger Fdn.
S.H. & Helen Scheuer Family Fdn.
Mr. & Mrs. Sherwood Schwart
Harry Schwartz
Scott Paper Co.
Martin E. Segal Co.
Norman M. Segal
William L. Selden
Sergeants Benevolent Association
Mrs. Dan Seymour
William C. Shanley, III
Stanley S. Shuman Fdn.
Silverstein Fdn.
Paul Simon
Joseph Slifka
Donald B. Smiley
Society Culinaire Philanthrop.
SONY Corporation of America
South Brooklyn Medical
Edward Spiegel Fdn.
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Frida Stammeier
Standard Data Corp.
Jules & Doris Stein Fdn.
V. Stein
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Mrs. Robert C. Stern
Mrs. Robert Stern
Elizabeth S. Stong
Mr. & Mrs. Curt Strand
Jan Arthur Stroem
William Stutt
Mrs. Philip Suarez
Mrs. Arthur Hays Sulzberger
Summerhill Fdn.
Edward Sykes Endowment Trust
Tanenbaum-Harber Co., Inc.
Marjorie Taylor
Cody Thomas
Marlo Thomas
Mrs. E.D. Tietje
James G. Titus
Niuta Titus
Loretta Tolson
Lyman Tondel, Jr.
Towers, Perrin, Forster, Crosby
Transflock, Inc.
Transport Workers Union Local
Tuft Family Fdn.
Tunick Fdn.
Tuscan Dairy Farms, Inc.
William Tyson, Sr.
S.J. Ungar Fdn.
United States Trust Co.
Mrs. Hans P. Utsch
Michael Vallario
Jose Vargas
Viacom International Inc.
Victory Carriers, Inc.
Denise Vivolo
Andrea Vizcarrondo
Ernest Von Westernhag
Walsh
David R. Weddington
Gerald P. Weinstein
Mr. & Mrs. Max Weintraub
Tracey B. Weisberg
Melvyn Weiss
Judy Weston
Wheeler Fdn.
Robert F. Wheeler, Jr.
Virginia L. Wilcox
Wilfred Fund
Dorothy Williams
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Harold M. Wit
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WNBC-TV New York
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Director of Development

FINANCIAL HIGHLIGHTS

Unrestricted operating support and revenue and expenses for the year ended December 31, 1990

Support and Revenue	
Commerce and Industry	$ 385,580
Foundations	618,831
General Public	668,007
Special Events	1,622,561
Merchandise Marketing	231,396
Government Agencies	2,766,571
Other Income	250,091
Total Support and Revenue	**$6,543,037**
Expenses	
Precinct Programs	$ 954,883
Centers	2,857,560
Summer Programs	1,190,162
Special Programs	389,977
Total Program Services	$5,392,582
Supporting Services	
Management and General	$ 743,419
Development-Direct Mail	620,888
Total Supporting Services	$1,364,307
Total Expenses	**$6,756,889**
Excess/(Deficiency)	**($213,852)**



POLICE ATHLETIC LEAGUE, INC. • 34 1/2 EAST 12 STREET • NEW YORK, NY 10003 • 212-477-9450

OFFICE OF THE VICE PRESIDENT

WASHINGTON

July 6, 1992

VISIT TO WILLIAM J. DUNCAN P.A.L. CENTER
NEW YORK, NY

DATE: July 7, 1992
LOCATION: 552 W. 52nd St.
New York, NY
TIME: 2:40 p.m.
FROM: Richard Porter RWP

I) PURPOSE

Visit a Police Athletic League Facility in the "Hell's Kitchen" section of New York to highlight police involvement in preventing crime and improving community relations by providing alternatives to young people at-risk of getting into trouble and instilling in them the values needed for success.

II) BACKGROUND

The Police Athletic League (PAL) is the largest independent youth agency in New York City. Founded in 1914, PAL is a non-profit, non-sectarian agency serving 60,000 youngsters each year. PAL is the official youth agency of the NY Police Department, but it receives no direct funding from them.

Manhattan District Attorney Robert Morganthau is the long-time chairman of the NY PAL. PAL raises 55% of its money from private sources and about 45% from state and city agencies. Those centers that provide Head Start and day care services receive some federal aid.

The William J. Duncan PAL center is located in the "Hell's Kitchen" section of New York -- the setting for West Side Story and also the boyhood home of Senator Moynihan. The center is named after a police officer killed in the line of duty in 1931 in the same general vicinity.

The center has been in this location since 1971, although it has been serving the neighborhood since 1957. Eight hundred kids, ranging in age from 6-21 use the center throughout the year. During the school year, it is open from 3-10 p.m., but during the summer it is open all day.

The neighborhood is not as gang-infested as it once was, although drug dealers and poverty still make it a rough place. The racial makeup of the young people using the center is a third Hispanic, a third white (especially Irish) and a third African American.

The center operates a summer day camp for children aged 6-13, which starts this week. Among the wide range of other athletic programs it offers is the "Cops and Kids" winter league, in which a cop is teamed with four teenagers and they compete city-wide. Programs like this foster better community-police relations and encourage kids from different areas and different races to get to know each other, reducing tensions in the city.

This center also offers:

- arts and crafts
- dance
- homework help with a certified teacher
- job training

The job training program, called "Instep," is targeted at keeping kids in school. It starts in the freshman year of high school and continues for the next four years. To participate, kids have to stay in school and get good grades. Eighteen students are active at this site in the Instep program this year -- more would take part if funds permitted.

The program does not receive any JTPA funds -- because it is not targeted at "disadvantaged" youth. You may be asked to consider expanding the role of JTPA to include programs like this.

After a short briefing from parents and PAL staff, you will tour the center and play 4 on 4 basketball with 11-12 year olds. About 100 kids and parents are expected to be watching the short game.

III) <u>PARTICIPANTS AT BRIEFING</u>

John Ryan	Executive Director, PAL of NY
Allison Rowe	Director, Duncan PAL Center
Rose Walker	PAL staff
Det. John Tumulty	Community Affairs, NYPD
Cathy Entzminger	Parent
Patricia Vamvoukakis	PAL staff/Parent

IV) PRESS PLAN

Closed during briefing
Open during tour/basketball

V) SEQUENCE OF EVENTS

2:40 p.m.	The Vice President arrives at the William J. Duncan PAL Center and proceeds inside to Snack Room where you are met by John Ryan, Executive director of PAL and Allison Rowe, Director of this site.
2:50 p.m.	The Vice President arrives in the Snack Room and participates in a private briefing with parents and PAL staff members.
3:05 p.m.	The Vice President, accompanied by Ms. Rowe, concludes meeting and proceeds to Arts and Crafts Room. Then you proceed through the Recreation Room to the Gymnasium for basketball game.
3:35 p.m.	The Vice President departs the Duncan Center en route La Guardia International Airport.

VI) ATTACHMENTS

Fact Sheet on PAL
Participants List

PAL 1992 FACTS

THE POLICE ATHLETIC LEAGUE is the largest independent youth agency in New York City. Founded in 1914, PAL is a non-profit, non-sectarian agency serving 60,000 youngsters each year, at a cost of only $75 per child. Although PAL is the official youth agency of the New York Police Department, it receives no direct funding from them.

PROGRAM AREAS

YOUTH CENTERS provide year-round recreational, educational and cultural programs. Located in the city's worst neighborhoods, centers offer structured and personal guidance in a safe, friendly environment.

- Ten full-time and 61 part-time Centers
- After-school, evening and weekend programs
- Sports, games, arts & crafts
- Remedial reading and homework help
- Drug abuse counseling
- PAL Re-Entry Program (PREP) for at-risk youth

EDUCATIONAL PROGRAMS offer youngsters assistance and guidance.

- High School Entrance Preparation (HSEP)
- S.A.T. Training (College Evaluation Entrance Exams)
- Homework Help – certified instructors in all full-time Centers
- Career Awareness – Civil Service Training
- College Counseling

SPECIAL PROGRAMS designed for all age groups.

- Performing and Creative Arts
- Citywide art and writing contests
- Film and video workshops
- Head Start and day care centers
- Boxing and martial arts programs
- Field trips

SUMMER PROGRAMS serve over 45,000 inner-city children.

- 122 Playsites
- 44 Playsites with special drug prevention programs
- 10 Educational day camps
- Sports Training Camp and 5 Sports Sites
- Mr. and Ms. PAL Contest: a boat ride for 300 winners
- The Chase Challenge – 2,000 participants

EMPLOYMENT TRAINING AND PLACEMENT programs serve over 1,500 youth.

- Job training and career counseling
- Placement services and job performance review
- Drop-out prevention program for 100 teens
- 600 jobs for summer youth
- Coopers & Lybrand Career Training for In-STEP youth

POLICE LIAISON UNIT staffed by police officers and community officers.

- Teams in basketball, baseball, soccer, track & field, flag football
- Over 1,200 teams serving 12,000 children
- Establishes a rapport between police and youth

1992 Fundraising Goal: $4,450,000

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. List	Re: Members of the Police Athletic League, Inc.; contains Personally Identifiable Information. (1 pp.)	n.d.	(b)(6)	

Collection:

Record Group: Quayle Vice Presidential Records
Office: Deputy Chief of Staff's Office
Series: Porter, Richard, Files
Subseries: Subject Files
WHORM Cat.:
File Location: New York July 7, 1992

Date Closed:	8/12/2025	**OA/ID Number:**	21803-004
FOIA/SYS Case #:	2025-0878-F	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
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(b)(1) National security classified information
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P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

OFFICE OF THE VICE PRESIDENT

WASHINGTON

July 6, 1992

MEMORANDUM FOR THE VICE PRESIDENT

FROM: ZELDA J. NOVAK
SPECIAL ASSISTANT TO THE VICE PRESIDENT FOR POLITICAL AFFAIRS

BARBARA J. SCHLEIBAUM
SPECIAL ASSISTANT TO THE VICE PRESIDENT FOR POLITICAL AFFAIRS

SUBJECT: NEW YORK VICTORY '92 FUNDRAISER

Date of Event: Tuesday, July 7, 1992
Location: Sheraton New York Hotel and Towers
New York, New York
Time: 11:00 a.m.

I. Purpose

To participate in a roundtable (15 Team New York members, contributing $25,000 annually), photo opportunity (50 participants @ $1,000 or table sellers) and luncheon (300 participants @ $250) for New York's Victory '92 Committee. You will deliver remarks at the luncheon.

II. Background

The hosts of this event are New York Republican Committee Chairman **Bill Powers**, New York Senate Republican Leader **Ralph Marino**, and New York Assembly Republican Leader **Clarence Rappelyea.**

NOTE: Bill Powers coined the phrase "Inspector Perot" and is quite pleased that you have incorporated it into your remarks.

Parker Montgomery, Chairman of the Board and President of the Cooper Development Company, will introduce you at the luncheon. He is Chairman of Victory New York, the principal fundraising arm of the New York GOP State Finance Committee. He also serves as the head of Team New York.

GOP Chairman **Bill Powers** will introduce you at the luncheon.

NEW YORK BUSH/QUAYLE '92:

President Bush traveled to New York on June 29, 1992 to attend a joint fundraiser for Senator **Al D'Amato** and the New York Victory '92 Committee. A total of $1.3 million was raised, 60% of which has been allocated to Victory '92. D'Amato, thus far, has raised $8 million for his campaign.

Earlier the same day, the President met with the Executive Committee of the New York State Conservative Party who then announced their endorsement of the Bush/Quayle ticket. In 1980 the Reagan/Bush ticket secured more than 300,000 New York votes from the Conservative Party. In the 1988 election, the Bush/Quayle ticket secured over 240,000 votes from the Conservative Party. In the past enrolled Conservative voters have made up 3-5% of the total vote.

NOTE: Mike Long, Chairman of the Conservative Party, will greet you upon arrival in New York.

According to WH Political Affairs, a mid-June statewide poll indicated the following results:

President Bush	34%
Clinton	27%
Perot	20%

The New York Bush/Quayle '92 Chairman is **H. Douglas Barclay**, CEO of Hicock and Barclay. The Finance Chairman is **Jack Hennessy** of 1st Boston Corporation.

H. Ross Perot's campaign has offices in New York City, Syracuse, Albany, Buffalo and Binghamton. In order for Perot to be on the ballot in November, 20,000 signatures are required by August 18.

The Bush/Quayle campaign is hopeful that the Liberal Party will endorse **Perot's** candidacy, as this could split the vote, and ensure victory for the Bush/Quayle ticket. The group supported **John Anderson** in 1980. As a legally recognized party, the Liberal Party endorsement would guarantee Perot a place on the ballot.

The Republican Presidential primary in New York had been scheduled for April 7. The petition filing deadline was February 6. **Pat Buchanan** did not submit the required number of petition names of registered Republicans to qualify a delegate slate in any of the 34 Congressional districts. This eliminated the need for the April 7 primary and has committed all 100 state delegates to Bush/Quayle. State GOP Chairman Bill Powers is being credited with this "upset" of Buchanan. Powers moved the primary date from June to April 1 and moved the filing date to February 6 to prevent Buchanan from making it onto the ballot.

While all of Powers' actions were legal, the developments have caused controversy and the call for New York election law reform.

The **Bush/Quayle** ticket lost New York to **Dukakis/Bentsen** in 1988 by a 49 - 51 percent margin. New York has 33 electoral votes.

The Democrat primary was held on April 7. The results were as follows:

Clinton	41%
Tsongas	29%
Brown	26%

1988 Bush/Quayle Chairman **Guy Molinari** resigned from the Bush/Quayle re-election campaign to protest what he called the Justice Department's refusal to look at new evidence in the case of **Joseph Occhipinti**, an I.N.S. officer convicted of civil-rights violations. Molinari personally investigated the case for several months. Molinari said that he resigned "not because of my lack of affection for George Bush, but for some of his appointees." Molinari is currently reconsidering his status with the Bush/Quayle campaign.

NEW YORK POLITICAL BRIEFING:

State Party Status:

Bill Powers, Chairman of the New York Republican State Committee was elected Chairman in 1991 after the resignation of **Pat Barrett.** He is a former top aide to U.S. Senator **Alfonse D'Amato** and the chairman of the Rensselaer County Republican Committee. In addition, Powers was a consultant to the New York State Senate Republican Campaign Committee.

According to the WH, **Powers** recently was able to have the New York Republican leadership agree to a "no new taxes" pledge. The State Party was approximately $1.3 million in debt at the beginning of 1991. Powers has reduced the debt to less than $300,000.

Powers has issued a series of strongly worded press releases supporting the Administration and attacking opponents on a range of issues. He called on the members of the New York Congressional delegation to support the Administration on the balanced budget amendment vote. He blasted **Rollins** and **Jordan** for joining the Perot campaign, stating that their appointment proves that Perot is a "die-hard Beltway-Washington insider."

He has labeled Perot as a "reckless and unpredictable "personality, "fast to drew his Texas six-shooter and fire blanks." More recently he shifted his sights to **Clinton**, assailing Clinton's economic plan s a "sly proposal that will kill American jobs."

At the New York Republican State Committee meeting last month, D'Amato was endorsed as the U.S. Senate candidate. Realizing that he did not have the votes to win, **Dick Rosenbaum** withdrew from the election for National Committeeman. **Joe Mondello**, currently GOP Chairman of Nassau County was elected to the National Committeeman post. **Eunice Whittlesey** was re-elected as National Committeewoman. Rosenbaum delivered a fervent speech about the importance of having a pro-choice plank in the national platform. Rosenbaum says that he will seriously consider running for governor in 1994. **Evan Galbraith** is also considering a run for governor in 1994.

Senate '92:

In 1992 Senator **Alfonse D'Amato** (an early Dole supporter) will face a tough bid for a third term. He is viewed as vulnerable as a result of a 20-month investigation into his dealings with HUD contracts. D'Amato was cleared of the allegations of misconduct by the Senate Ethics Committee. However, D'Amato's brother was indicted by a federal grand jury on charges of fraudulently billing a defense contractor.

In another legal controversy involving D'Amato, a federal judge in Puerto Rico identified evidence which seemed to contradict D'Amato's sworn denial last year that he interceded at HUD for a project owned by his chief fundraiser, Eduardo Lopez Ballori. Although Mr. Ballori's trial was declared a mistrial, many allegations were levied about D'Amato, suggesting that he interceded for political contributors at HUD. The judge has set a new trial date for September of 1992.

D'Amato received the party's designation at the State Convention on May 31, 1992.

Former Vice Presidential candidate **Geraldine Ferraro** is a candidate for the Senate seat. She received the endorsement of the Democrat State Party. Recent polls show that she retains good name identification and high approval ratings. However, one third of those polled say they have an unfavorable view of Ferraro. In a poll conducted in the Western New York County of Erie (Jack Kemp's former district), Ferraro received 54 percent of the support to D'Amato's 31 percent. D'Amato carried Erie County in his 1980 and 1986 senate elections.

Four-term Attorney General **Robert Abrams** is also a candidate for D'Amato's seat. Abrams spent $2 million in his 1990 AG race. Abrams faces criticism for his statement that he "did not have enough information" to decide whether he supported U.S. intervention in the Gulf conflict. Abrams has focused his campaign on his support of women's issues. He is expected to receive the endorsement of the Liberal Party of New York; the endorsement would automatically place Abrams on the ballot.

Democrats fear that a likely scenario will be that Abrams will lose the Democrat primary, but still run on the Liberal line, guaranteeing a split vote that could assure **D'Amato's** re-election. In 1980, when NYC Comptroller **Liz Holtzman** (D) won the Democrat primary and D'Amato beat then-Senator **Jacob Javitz** (R) in the Republican primary, Javitz ran on the Liberal line in November, drawing enough votes from Holtzman to let D'Amato win by a 45%-44% margin.

New York Comptroller **Liz Holtzman** has also entered the race for the Democrat nomination to the U.S. Senate. In an effort to galvanize female voters, she has made sexual harassment and the Thomas hearings a campaign issue.

Reverend **Al Sharpton**, a controversial civil rights activist, has also entered the Democrat primary. The Democrat State Party recently drew fire for allowing Sharpton to participate in a candidate forum. Sharpton is facing felony tax evasion charges and has consistently exacerbated racial tensions in the state. GOP State Chairman Bill Powers has referred to Sharpton as "New York's own David Duke."

Congressman **Bob Mrazek** (D-3) withdrew from the Senate race on April 9, following the disclosure that he wrote 972 bad checks from the House bank, maintaining a negative balance in his account for more than 23 months. He held a fundraising advantage over the other Democrat candidates, and was the favorite of the Western New York regional convention in January. According to the RNC, Mrazek has initially agreed to release his banking records, but reneged on that promise and instead released a report from his attorneys stating that his overdrafts were nothing more than salary advances. Mrazek is not expected to run for a Congressional seat.

Environmental lawyer, **Lawrence Rockefeller**, nephew of the late Governor Nelson Rockefeller, has stated that he is considering the possibility of running against D'Amato. On the issue of abortion, Rockefeller is pro-choice.

Congressional Reapportionment:

New York will to lose 3 Congressional seats.

On July 2, 1992, the U.S. Department of Justice approved new congressional lines. Democrat Congressmen **Gary Ackerman** (D-7) and **Jim Scheuer** (D-8) will face each other in the September 15 primary. Rep. **Stephen Solarz** (D-13) will face either Rep. **Ted Weiss** (D-17), Rep. **Bill Green** (R-15), or run in a new district. Solarz had been thought likely to run against Weiss, but sources speculate he might decide to run in the new 50% Hispanic district.

The plan was first issued by a Democrat-controlled state court and later passed by the Democrat-controlled state Assembly and Republican-dominated sate Senate.

House Elections:

Seven New York representatives have announced that they would not seek re-election; four are Republican. The Republicans are **David O'B. Martin** (R-26), **Ray McGrath** (R-5), **Norman Lent** (R-4), and **Frank Horton** (R-29). The three Democrats are **Robert Mrazek** (D-3), **Henry Nowak** (D-33), and **Mat McHugh** (D-28).

State Legislature:

The current makeup of the State Senate and Assembly is as follows:

State Senate	35R
	26D
State Assembly	55R
	95D

NOTE: This event will take place in Rep. **Bill Green's** (R-15) congressional district. Democrat **David Dinkins** is the Mayor of New York.

III. Participants

The Vice President
Ralph Marino, State Senate Republican Leader
Clarence Rappelyea, State Assembly Republican Leader
Bill Powers, State GOP Chairman

(List of participants is attached).

IV. Follow-Up

Notes and photos will be sent to participants.

V. Press Plan

Roundtable -- Official and political photographers only.

Photo Op -- Official and political photographers only.

Luncheon -- Open Press.

Attachments:
1. List of roundtable attendees.

BUSH -QUAYLE '92 ROUNDTABLE DISCUSSION
JULY 7, 1992
SHERATON HOTEL AND TOWERS
10:00 am

1. JOHN BADER	Portfolio Manager, Halcion Partners
2. CHRIS BRADY	Partner, The Lodestar Group (Secretary Brady's son) Member BQ'92 Finance Committee
3. DAVID BREWER	President, Madison Company, Inc. (private investments) Member BQ'92 Finance Committee
4. MARK BROXMEYER	General Partner, Fairfield Properties Director, Federal Home Loan Bank New York
5. ARCADIO CASILLAS	Managing Director, Preferred Compensation (Employee Benefits Consultant) Member, BQ'92 Finance Committee
6. JIM COLEMAN	Managing Director, Wm. White/Grubb&Ellis (recruited by Don Marron) Member, BQ'92 Finance Committee
7. SUZANNE CURRY	Managing Partner, John Hsu Capital Group (Bond portfolio management)
8. LARS FORSBERG	Attorney with Dickerson and Reilly (Internation Law) Director, Operation Sail - (Tall Ships Celebration in New York Harbor)
9. ALAN GLADTT	Vice President, Morgan Stanley
10. ROB HARTEVELDT	Assoc. Dir. Bear Stearns (high yield bonds section)
11. PAUL HICKS	Director, Public Affairs UST (US Tobacco) (works with Lou Bantle, State Chairman BQ Finance Committee, CT)
12. NEIL LEVIN	Vice President, Goldman, Sach&Co. Chairman, Federal Home Loan Bank of NY (friend of Dan Evans) Member, BQ'92 Finance Committee

**** INTRODUCING VP *****

12. JAY MOORHEAD	President, The Moorhead Group (Investment Banking) Member, BQ '92 Finance Committee)
13. RICHARD PODOS	Managing Director, Wm. White/Grubb&Ellis
14. BILL RUDIN	Exec. Vice President, Rudin Management (son of Lew Rudin, BQ'92 Finance Cmtte)
15. JOE SIMONS	Anti-trust attorney, Wachtell, Lipton
16. SUZANNE TUFT	Regional Director, ACTION
17. GREG VERINI	Senior Vice President, Dillon Reed

SEATING

GLADTT

CURRY	MOORHEAD
VERINI	HICKS
LEVIN	BRADY
VP	COLEMAN
CASILLAS	BREWER
FORSBERG	RUDIN
BROXMEYER	TUFT
HARTEVELDT	PODOS

BADER

OFFICE OF THE VICE PRESIDENT

WASHINGTON

July 6, 1992

NOTE TO THE VICE PRESIDENT

FROM ANNE HATHAWAY

SUBJECT Industry and Business List

Attached is the industry and business list for your travel to New York, New York on Tuesday. This list identifies the top five industries for the state and the top five employers in New York City.

OFFICE OF THE VICE PRESIDENT

WASHINGTON

July 6, 1992

Industry-Business List for New York City

Top Five Industries:

1. Services
2. Retail Trade
3. Manufacturing
4. Finance, Insurance & Real Estate
5. Wholesale Trade

(Source: New York State Chamber of Commerce)

Top Five Businesses in New York City:

1. CitiBank (86,000 employees)
   212/559-1000
   Bank Holding Company
   Headquarters: New York, New York (Subsidiary of Citicorp)
   Chairman: John S. Reed

2. New York Telephone (42,000 employees)
   212/395-2121
   Telecommunications Service Company
   Headquarters: New York, New York
   President & CEO: Richard A. Jalkut

3. Chase Manhattan (38,000 employees)
   212/552-2222
   Financial Services Corporation
   Headquarters: New York, New York
   Chairman & CEO: Thomas G. Larecque

4. Con Edison (19,000 employees)
   212/614-2100
   Electric, Gas, Steam Utility
   Headquarters: New York, New York
   Chairman & CEO: Eugene R. McGrath

5. New York University (15,092 employees)
   212/998-1212
   Private Undergraduate & Graduate University
   Headquarters: New York, New York
   President: L.J. Oliva

(Source: New York City Chamber of Commerce)

OFFICE OF THE VICE PRESIDENT

WASHINGTON

July 7, 1992

BRIEFING MEMORANDUM FOR THE VICE PRESIDENT

FROM: DAVE JUDAY
SUBJECT: BACKGROUND MATERIAL FOR NEW YORK

o The **unemployment rate** for May in the state of New York is 8.1 percent; the national unemployment rate for June is 7.8 percent.

STATE ISSUES

o New York will allow **13 private labs to provide the initial screening for H.I.V. testing** to shorten the time that patients who have the testing done must wait. Until now, only state labs conducted such tests. About 100 other pabs have expressed an interest in performing the testing. Under the state-labs-only system, people typically had to wait to get an appointment for the test and then wait up to three weeks for the result of the tests.

o A health insuramce plan for the elderly and the ill broke free from a legislative log-jam last week by winning the support of Senate Republicans. The plan would have the immediate effect of canceling a proposed rate increase for more than 1.2 million Empire State Blue Cross and Blue Shield individual and small group customers, and would make **New York the first state to ban discrimination in setting health insurnace rates.**

FEDERAL ISSUES

o **The State of New York received about $14 billion from the federal government for FY 1992.**

o New Yorkers average five-to-six pounds of solid waste per person, compared to a 4 pound national average. That represents 8,000,000 millions tons of garbage per year in the City. On March 30, Mayor Dinkins announced plans to triple the amount of waste that is incinerated and triple the amount that is recycled. **This announcement foresees the construction of an incinerator in the Brooklyn Navy Yard, to which there is considerable community opposition. The City Council is likely to reject the incinerator plan before they adjourn this week. EPA has issued a permit for the construction of this incinerator.**

o EPA has recently proposed **changes to the New York City nonattainment area under the Clean Air Act to include several suburban counties.** Last year, New York was the first Northeastern state to adopt a California-like package of auto emission control regulations that is more stringent than the federal requirements.

REFORM AGENDA STATE FACTS

DRUGS AND CRIME: New York City has about **555,000 drug abusers;** at present there are about 44,000 slots for treatment programs. City health officials estimate the **10 percent of the babies born in 1992 will be born to drug addicted mothers.**

o Since 1989 (when President Bush began the Office of National Drug Control Policy) **federal drug grants to New York have more than doubled** from $53.7 million to $108.1 million project for 1992.

EDUCATION: There is no statewide **school choice** plan in New York, nor is there any major legislation pending.

CJR: Prospects for civil justice reform are dim; last year a product liability reform measure passed the Republican-controlled State Senate, but died in the Democrat-controlled Assembly.

NEW YORK JTPA: 31 SDA's; State Job Training Coordinating Council Chairwoman is Jewell Jackson. The NYC PIC Chairman is Ron McGowan (whom you have met). Total funds for this program year -- $190,480,855; 104,871 participants were served last year.

EXPORT FACTS: New York ranks third among the 50 states and DC in total value of exports by selling products to 193 markets; Canada is New York's biggest customer, followed by Japan and the U.K. Exports to Mexico grew by more than 56 percent since 1987 ranking Mexico as New York's eighth largest customer. About 391,700 workers in the State of New York are employed by exports; in New York City, about 158,600 workers are employed by exports.

WETLANDS: The Fish and Wildlife Service is working cooperatively with the U.S. Soil Conservation Service, the New York State Department of Environmental Conservation, and private landowners to restore and enhance wetlands in upstate New York.

o A Service biologist, stationed in Canton, New York, is coordinating the wetland restoration program. **Since 1989 1,886 acres of wetland habitat have been restored on private lands and 850 acres are scheduled for restoration work in 1992.**

STATISTICS: Wholesale trade figures will be released while you are in New York.

NEW YORK CITY ...

* has more bureaucrats in the education system than the entire nation of France has education bureaucrats

* taxes people at $7,000 per pupil versus an average of $3,000 per pupil nationally, ...

YET -- has a public school graduation rate of only 38 percent!

* has the highest local taxes in the country -- about $1,600 per person

* has a business tax about three times greater than the business tax in Chicago and Los Angeles

* has a public payroll that's increased 50 percent while its population has decreased 5 percent.

* has expenditures that more than doubled the rate of inflation over the decade of the eighties.

* has rent control laws that have forced landlords to abandon about 30,000 apartments per year since the late 70's

THE FEDERAL GOVERNMENT HAS GIVEN NEW YORK ...

The State of New York received about $14 billion from the federal government for FY 1992.

Examples of federal programs to help New York, ...

* $46 million in JTPA funds to train more than 24,000 people last year

* more than $1 billion in food stamps, WIC, and school lunch money last year

* more than $65 million in the past five years for law enforcement and drug programs

OFFICE OF THE EXECUTIVE DIRECTOR
JOHN J. RYAN

FACSIMILE COVER SHEET

DATE: July 14, 1994

TO: Richard Porter

FAX NUMBER: (202) 456-6216

FROM: John J. Ryan, Executive Director
Telephone: (212) 477-9450, Extension 323

Police Athletic League
34½ East 12th Street
New York, NY 10003

Fax #(212) 477-0552

Total Number of Pages (including cover sheet): 2

Comments:

As per your request, here is the name and address of the second police officer you met during your visit to our PAL Center.

RJ

BUSH LIBRARY PHOTOCOPY - PRESERVATION

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By RMK (LPGB) on 08/12/25

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Memo	Re: Name and address of member of Police Athletic League, Inc. (1 pp.)	n.d.	(b)(7)(c), (b)(7)(f)	

Collection:

Record Group: Quayle Vice Presidential Records
Office: Deputy Chief of Staff's Office
Series: Porter, Richard, Files
Subseries: Subject Files
WHORM Cat.:
File Location: New York July 7, 1992

Date Closed:	8/12/2025	**OA/ID Number:**	21803-004
FOIA/SYS Case #:	2025-0878-F	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
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AR Disposition:		**MR Disposition:**	
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(b)(9) Release would disclose geological or geophysical information concerning wells

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

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

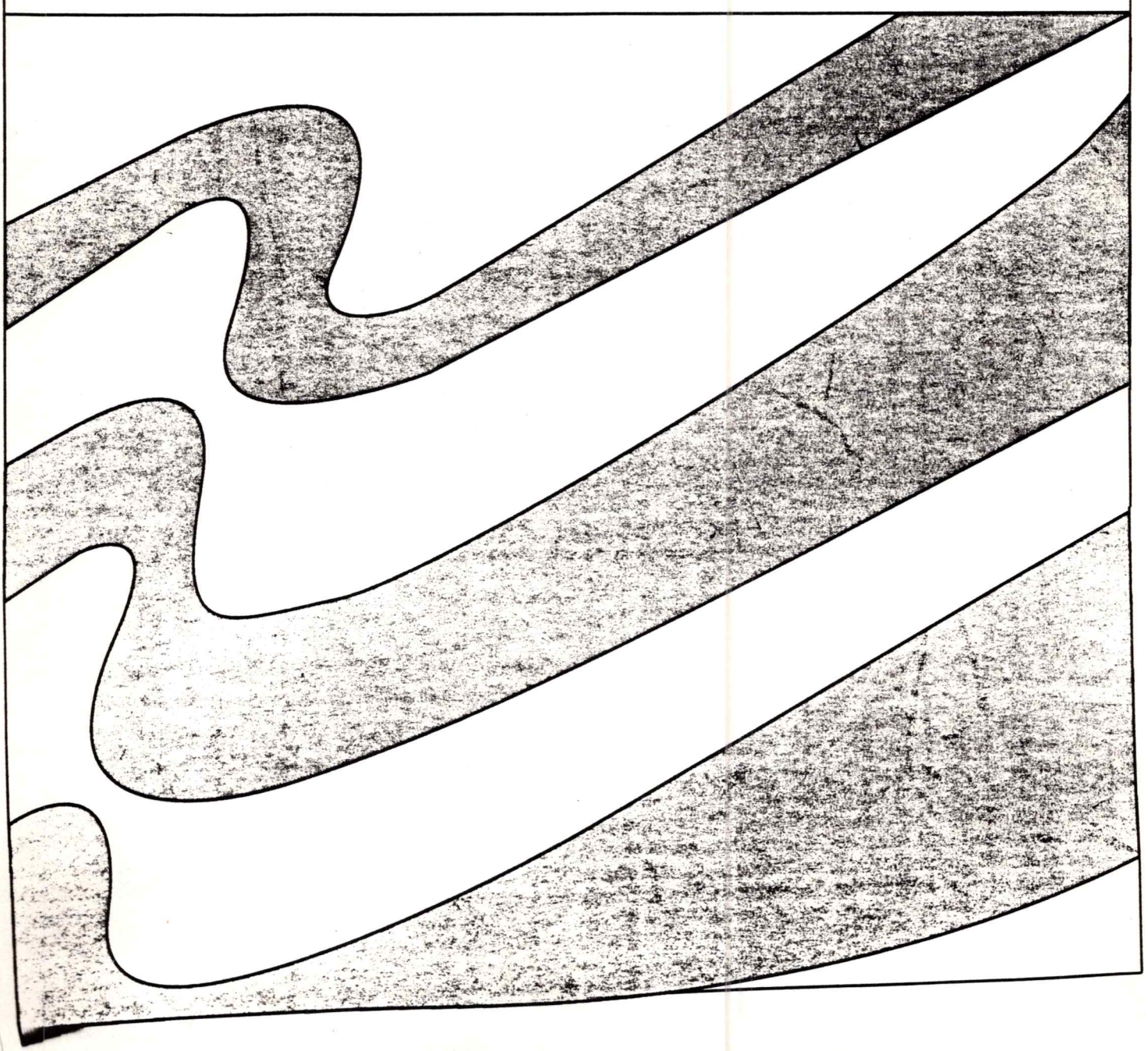
BUDGET

OF THE

UNITED STATES GOVERNMENT

FISCAL YEAR 1993

DIRECTOR'S INTRODUCTION (AND OVERVIEW TABLES)



DIRECTOR'S INTRODUCTION (AND OVERVIEW TABLES)

Reprint of Pages One–7 through One–32 of Part One, Chapter 2, of the *Budget of the United States Government, Fiscal Year 1993*

2. DIRECTOR'S INTRODUCTION (AND OVERVIEW TABLES)

HOPES, FEARS, AND FALLIBLE FORECASTS

A year ago, the Budget was published in a context of major uncertainty. Iraq's invasion of Kuwait had destabilized the Middle East. That caused obvious problems for the American economy, which was already experiencing sluggish growth. The allied military counter-offensive had begun. But the outcome was not yet clear. Understandably, the mood was somber.

In the intervening year, the international situation improved dramatically. Kuwait was liberated. A proud and grateful nation welcomed its returning troops with near-euphoric celebration. Comprehensive Mideast peace talks commenced. Imperial Communism and the Soviet Union were disbanded. And clearly, market-oriented democracy has been on the rise.

Yet, here at home, the euphoria of summer has been displaced by another winter's gloom. The domestic economy has not recovered in the manner that had been widely forecast. The economy turned up, as predicted, in the middle of the year. When the *Wall Street Journal* published its mid-year survey, 39 of 40 private sector forecasters predicted positive real GNP growth—an average of 2.4 percent—for the second half of 1991. Thirty-eight of 40 predicted positive growth for the first half of 1992. But the recovery faltered. Economists scurried to reestimate. The sputtering economy seemed to support the cautionary note in last year's Introduction: "macroeconomics is a highly fallible 'science'; macroeconomists are often closer to each other than to reality."

By several conventional statistical measures, the economy is not as weak as in some previous recessions. But confidence is remarkably low. And although the unemployment rate is not as high as in some earlier periods, its level is unacceptable.

Many current problems are different from those associated with traditional business cycles. In general, there has not been an excessive inventory build-up. Rather, it is the accumulation of public and private debt that has been viewed generally as excessive. The financial sector has been under unusual stress. The real estate sector has been depressed. Much of the service sector (as well as white collar employment within the manufacturing sector) is in the process of restructuring. Such problems have been felt across a wider geographic and socio-economic range than was characteristic of earlier "blue collar" (or "rust belt") recessions. A more generalized sense of worry has developed among "middle class" workers and families.

For these reasons, and for all the conventional reasons, the current context requires a strong program and prompt action to get the economy moving again. But the character of the underlying problems makes clear: There must be more than just a short-term program. What is required is a *comprehensive* program to address not only the short-term, but also the long.

The President has advanced such a comprehensive program—to renew confidence, and to secure American growth in a competitive global economy. This Budget reflects that program.

THE PRESIDENT'S COMPREHENSIVE AGENDA FOR ECONOMIC GROWTH

In his *State of the Union Address,* the President has highlighted his agenda for growth.

Because unemployment remains high, the President has proposed a further extension of Unemployment Insurance Extended Benefits. But such benefits are obviously not a satisfactory substitute for a program to restore, expand, and secure jobs.

The President's agenda for job-creating growth is comprised of both short-term measures to get the economy moving and longer-term measures to secure American growth for the future.

The short-term agenda for growth includes the following:

(1) ***Executive Actions:*** **to strengthen economic activity in areas where the executive branch can proceed without depending upon Congressional action,**

- a *reduction of excessive personal income tax withholding* by an average of $345 per year (joint return) for those taxpayers who wish to have this burden reduced;
- continued *acceleration* of previously appropriated federal spending;
- prudent execution of measures to reduce the *"credit crunch"*;
- reinvigorated action to reduce the burden of *regulation*; and
- management of *monetary policy* (through the Federal Reserve) on a basis that yields both lower interest rates and low inflation;

(2) ***New Investment Incentives:*** **to stimulate job-creating investment** (see Chapter 22),

- a *capital gains* incentive that reduces the tax on long-term gains to 15.4 percent (also important for the long term);
- a new *15% Investment Tax Allowance;*
- simplified and liberalized treatment of depreciation under the *Alternative Minimum Tax;*

(3) ***New Real Estate Incentives:*** **to increase home sales and real estate values** (see Chapter 22),

- a new *$5,000 tax credit* for first-time home-buyers;
- a *modified "passive loss rule"* for active real estate investors;
- *penalty-free IRA withdrawal* for first-time home-buyers;
- extension of tax preferences for *mortgage revenue bonds* and *low-income housing;*
- allowance of deductions for losses on *personal residences*—
- all in addition to the favorable effects of a capital gains incentive.

This set of short-term initiatives unquestionably would help get the economy moving. But to strengthen growth for the intermediate and longer term, as well, a serious agenda must be more complex and comprehensive. The list of necessary initiatives is long, and its reach is broad. A narrower focus simply will not get the long-term job done.

The President's comprehensive agenda for growth involves both reform and restructuring. In addition to short-term measures, it includes such initiatives as the following:

(4) ***Investment in the Future:*** **to shift public expenditures toward investment in the future and to improve private productivity,**

- record investment in federal *research and development* ($76.6 billion) and in federal support of both basic research and applied civilian R&D (see Table 6–2 and Chapter 6)—along with permanent extension of the *R&D tax credit* (see Chapter 22);
- record investment in *Head Start* ($2.8 billion)—for the first time covering all participating eligible 4-year-olds;
- record investment in *children* (over $100 billion) and in *preventive* health (see Tables 5–3 and 5–1 and Chapter 5);
- record investment in Education generally, and in *Math and Science* Education (see Chapter 4);

- record investment in combatting *crime* and *drug abuse* (see Chapter 9);
- record investment in infrastructure (see Chapter 7);
- *"Job Training 2000"*, to improve the delivery and effectiveness of job training and vocational education programs (see Chapter 4);
- major expansion of *"Weed and Seed"* ($500 million—see Chapter 8) linking law enforcement and social services—and linking these, in turn, with:
- *Enterprise Zones*—to bring entrepreneurship and opportunity to areas of "hard core" distress (see Chapter 8);

(5) ***International Market Expansion:*** **to expand opportunities for American exports in a regime of free and fair trade,**

- *GATT* negotiations;
- negotiations to establish a *North American Free Trade Agreement;*
- the President's *Enterprise for the America's Initiative;* and
- continued *bilateral efforts* to open markets for U.S. exports.

(6) ***Pro-family Incentives:*** **to ease the financial burdens of raising a family and saving for the future** (see Chapter 22),

- a new *Flexible IRA*—with penalty-free withdrawal for medical and educational expenses (in addition to first-time purchase of a home), and with tax- free withdrawal after 7 years;
- tax deductibility of interest paid on *student loans*;
- an increase in the personal income tax exemption of *$500 per child* (i.e., $2,000 per year for a family with four children)—as well as:

(7) ***Health Reform:*** **to increase the affordability and security of health insurance for all, while making the high-quality American health system cost-effective and economically sustainable,**

- *The President's Plan for Comprehensive Health Reform* (outlined further below);

(8) ***Budget Discipline:*** **to bring the growth of the federal budget and deficit under control (and to reduce the drain on savings),**

- a *freeze* on federal domestic discretionary budget authority; and a cut in total discretionary budget authority;
- complete *elimination of 246 programs and over 4000 projects* whose funding is not sufficiently justified (see Chapter 16);
- a *freeze* on federal domestic government employment, and a cut of total federal personnel by nearly 4 percent (see Table 2–8).
- in response to changes in the external threat, an orderly and carefully-planned further reduction in defense spending of $50.4 billion by 1997—making the total real defense cut 29 percent since 1989.
- an *enforceable cap* on the growth of unfinanced "mandatory" spending (see below and Chapter 18);
- a cap on cumulative subsidies of *hidden liabilities* (see Chapter 18);
- extension and refinement of the *caps, accounting improvements,* and *pay-as-you-go discipline* of the Budget Enforcement Act (see Chapter 18);
- initiatives for Management Improvement (see Chapter 15);
- all in addition to the most important deficit-reduction measure: enactment of the rest of the President's agenda for growth.

Most of the elements of the President's growth agenda noted above are new. In addition, there are major reform proposals still before the Congress awaiting action. The fact that the Congress has not yet acted on these does not make them any less important for long-term growth. They are, indeed, essential.

Among the comprehensive reforms still awaiting Congressional action are those to reform education, modernize the financial services sector, increase productivity, and reduce energy vulnerability:

(9) ***America 2000:*** **to revolutionize American education, strengthen accountability, and improve performance—through a nation-wide reform movement and such federal programmatic initiatives as New American Schools and Educational Choice (see Chapter 4);**

(10) ***Financial Service Sector Reform:*** **including deposit insurance reform, interstate banking, and provisions for integrating financial services (see Chapter 12);**

(11) ***Legal Reform:*** **including tort reform, product liability reform, malpractice reform, and civil justice reform; and**

(12) ***The President's National Energy Strategy:*** **which received heightened, if fleeting, interest after the Iraqi invasion; and which, like the other major areas of unfinished business, continues to await Congressional action. For convenient reference, this outline of the President's Agenda for Growth is presented as Chart 2–1.**

CHART 2–1. THE PRESIDENT'S GROWTH AGENDA

Immediate Agenda:

(1) Executive Actions
- Withholding adjustment
- Regulatory relief
- Spending acceleration
- Monetary policy

(2) Investment Incentives
- Capital gains
- 15% Investment Tax Allowance
- Modified AMT

(3) Real Estate Incentives
- $5,000 tax credit (first home)
- Modified Passive Loss Rule
- Penalty-free IRA Withdrawal
- Mortgage revenue bonds
- Low-income housing credit
- Loss deduction for personal residences
- Capital gains

Intermediate and Long-Term Agenda:

(4) Investment in the Future
- R&D (record level)
- Infrastructure (record level)
- Head Start/Children (record level)
- Prevention (record level)
- Education (record level)
- Math & Science Initiative
- Anti-crime/drug abuse (record level)
- Job Training 2000
- Weed & Seed
- Enterprise Zones

(5) International Market Expansion
- GATT
- North American FTA
- Enterprise for the Americas
- Continued bilaterals

(6) Pro-family Incentives
- Flexible IRA
  - —Penalty-free withdrawal for health/education/first home purchase
- Student loan interest deduction
- Personal exemption increase
- Health reform

(7) Comprehensive Health Reform
- The President's Plan
- Health Insurance Market Reform:
  - —Pooling
  - —Guaranteed issue/coverage
  - —Health Insurance Networks
- Health Insurance Tax Credit/Deduction
- Cost-effectiveness/containment measures
- Coordinated care incentives
- Prevention

(8) Budget Discipline
- Orderly cut in Defense
- Domestic discretionary freeze
- Personnel freeze
- Program and project eliminations
- Mandatory cap and subsidy cap
- BEA extension
- Management initiatives

Unfinished Reform Agenda (still before the Congress):

(9) America 2000 (Education Reform)
- New American Schools
- Choice
- National Goals/America 2000 Communities

(10) Financial Sector Reform

(11) Legal Reform
- Tort reform
- Malpractice reform
- Civil justice reform

(12) National Energy Strategy

OF DEBT AND DISCIPLINE— RESTRAINING DEFICIT GROWTH

Almost all would agree with the proposition that economic growth should be increased. Most would also agree with a second proposition: that growth of the federal deficit should *not* be increased—indeed, that deficit growth should be restrained and then reversed.

Fortunately, these two propositions need not be in conflict. A responsible growth program can have a powerfully favorable effect on the deficit. And a responsible deficit reduction program can have a favorable effect on growth. The two popular propositions can complement and reenforce each other.

That might be thought of as good news. It might suggest that if the political system were to reflect these two propositions, it would not only do what is popular, but also what is responsible.

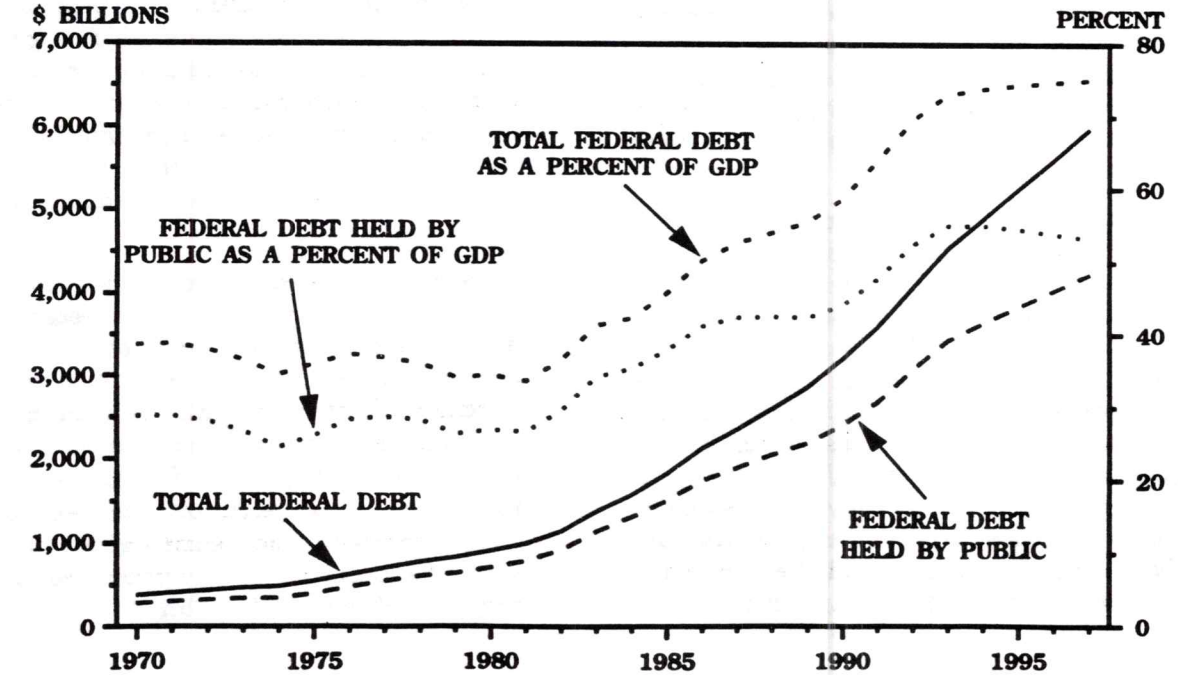
Unfortunately, however, the pleasant political complementarity of the two propositions depends on their being abstract. Regrettably, when it comes to particulars, only one of the propositions remains widely popular.

To cite the obvious as examples: A middle class tax cut is popular. But restraint on the growth of middle class entitlements is not. Investment in infrastructure is popular. Restraint on the growth of arguably "worthy" discretionary spending is not. Tax incentives to increase private savings are widely popular. The removal of broad-based tax preferences in order to increase public savings (i.e., to reduce deficits) is not.

Similarly, financing current expenditures with future payments (i.e., debt) is naturally much more popular than financing with current taxes or spending reduction. The taxpayers and consumers of the present are here and voting. Those of the future are not. (This lack of democratic representation, and the need to protect future rights, is the justification for a constitutional amendment requiring a balanced budget.)

The practical facts of political reality amount to a formula for rising deficits and rising debt. That, of course, is the observable pattern. (See Chart 2–2.)

Chart 2-2. NOMINAL DEBT & DEBT AS A PERCENT OF GDP



While individuals and corporations have recently been strengthening their balance sheets, the Federal government has not. It is little wonder that, in observing the political dynamics of Washington, those in long-term financial markets have reflected concern about inadequate fiscal discipline.

The concern is legitimate.

With this concern in view, the President has proposed a budget that can fully accommodate his growth agenda—and that can be enacted in its entirety without abandoning the discipline of the Budget Enforcement Act. That is, the President's program does not require increasing any discretionary spending caps. It does not require transfers from one category of expenditure to another. And, if fully implemented, the President's program can meet the pay-as-you-go requirements without triggering a sequester. Indeed, it can exceed the pay-as-you-go requirements, and thereby contribute further to deficit reduction.

A summary of the pay-as-you-go accounting is at Table 2–1, with related detail at Tables 2–4 and 2–5. There will, as usual, be differences with respect to particular proposals reflected in these tables. But it is important to underline: *The President's strong and responsible agenda for growth can be fully enacted without abandoning the budget discipline of the Budget Enforcement Act.*

It is clear, however, that some in Congress do not wish to stay within the Budget Enforcement Act. Some wish to abandon its discipline entirely. Others wish to amend the Act in order to re-allocate defense savings for other purposes.

With these Congressional interests in view, the President's proposed defense savings are displayed at Table 2–2. The defense outlay savings are roughly sufficient to offset the President's proposed $500 per child increase in the personal exemption. Such an offset is not now possible under the Budget Enforcement Act; nor is it necessary under the President's program. But if the Congress were unwilling to accept fully the President's proposed pay-as-you-go financing of tax initiatives, the President would be prepared to consider modifying the Budget Enforcement Act to allow the projected defense outlay savings to offset the proposed increase in the personal exemption. This would be contingent, however, on the following:

- limitation of any defense savings to those that are consistent with national security interests;
- extension and refinement of the discipline of the current system of caps, mini-sequesters, and pay-as-you-go requirements;
- allocation of savings primarily to deficit-reduction and to families via tax reduction;
- corresponding downward adjustment of the total discretionary spending caps.

Even with adherence to the discipline of the Budget Enforcement Act, the near-term outlook for debt and deficits remains unattractive. (See Chart 2–3 and Table 2–3.)

There are three major reasons for this:

- ***Carryover.*** One major reason is the *carryover effect of rising debt,* the associated *interest burden,* and the coverage of *deposit insurance.* Chart 2–3 shows graphically that interest and deposit insurance alone are almost equal to the entire federal deficit. Indeed, if interest and deposit insurance were not included, the federal deficit would quickly turn to surplus. This, of course, is not meant as a policy suggestion! It is simply to underline again a point that is increasingly evident: continuing to build up excessive debt and hidden liabilities has substantial costs that carry forward to the future. And at some point, the future is now.
- ***Recession.*** A second major reason for the near-term deficit problem is the recession and the continuing *weakness of the economy.* Chart 2–4 shows the extent to which enactment of the President's growth agenda would improve the deficit outlook relative to the likely pattern if Congress were to follow a conventional "business-as-usual" approach. (The deficit effect of alternative economic assumptions is displayed at Table 3–2, Chapter 3.)

Table 2–1. PAY-AS-YOU-GO PROPOSALS

(Savings, in billions of dollars)

	1992	1993	1994	1995	1996	1997	1992–97
(1) Carryover pay-go balance	1.1	1.1	0.5	1.0	1.4	–0.9	4.2
(2) Mandatory outlay proposals (except health reform and UI/EB)	0.5	3.4	5.3	5.9	9.9	9.8	34.9
(3) Revenue proposals (except personal exemption)	–5.2	0.7	3.1	0.9	0.9	–1.1	–0.7
(4) Subtotal, before accruals and personal exemption		**1.6***	**8.9**	**7.8**	**12.2**	**7.8**	**38.3**
(5) Deposit insurance reforms [1]	0.7	1.8	0.5	4.4	5.4	3.4	16.2
(6) PBGC reforms [1]	8.7	2.5	2.7	1.7	3.3	2.9	21.8
(7) Subtotal, before personal exemption and Extended benefits/Unemployment Insurance	**5.7**	**9.6**	**12.1**	**13.9**	**20.9**	**14.1**	**76.3**
(8) Unemployment Insurance/Extended Benefits	–2.2	–2.2	—	—	—	—	–4.4
(9) Personal exemption.	—	–4.4	–4.6	–4.7	–5.0	–5.2	–23.9
(10) Total paygo scoring	**3.5**	**3.0**	**7.5**	**9.1**	**15.9**	**8.9**	**48.0**

* Section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Enforcement Act, requires the Office of Management and Budget to take into account the impact of all direct spending and revenue legislation enacted as of the end-of-session sequestration report for both the current year (FY 1992) and the budget year (FY 1993).

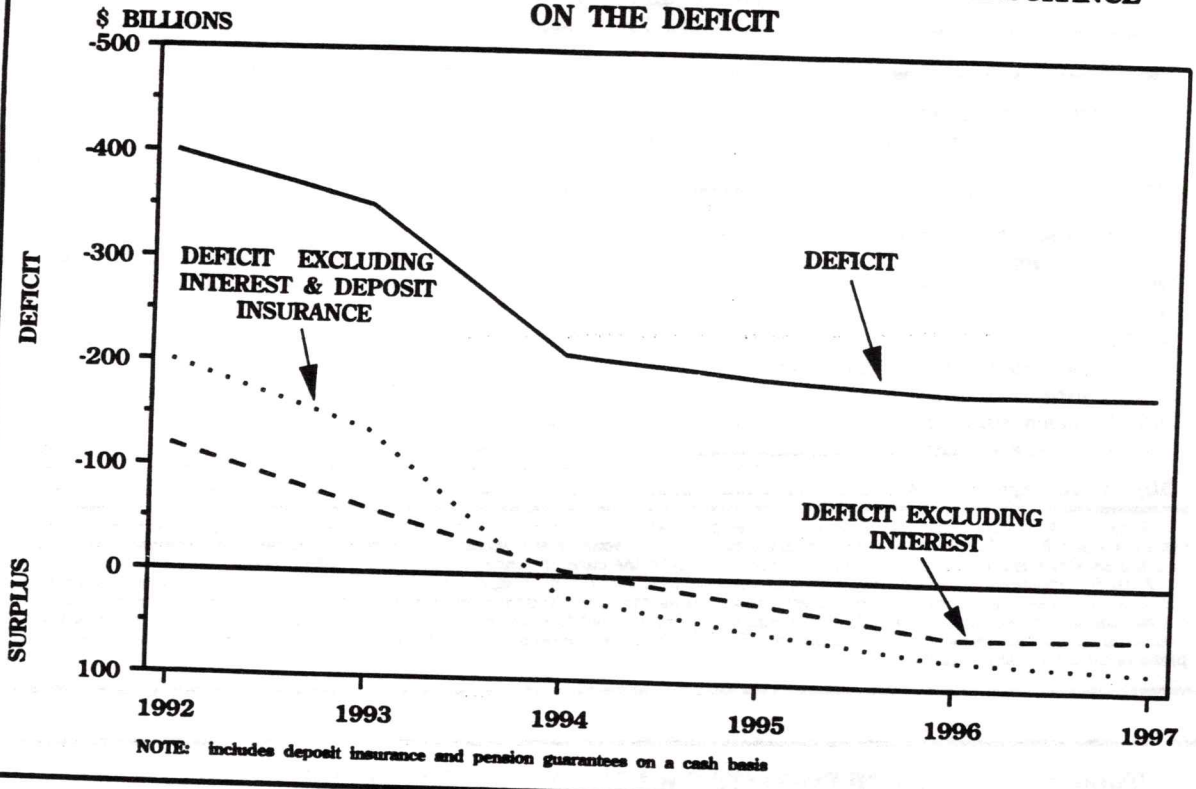
[1] Assumes enactment of previously proposed reforms that reduce the competitive disadvantages of depository institutions and limit deposit insurance coverage, and reforms that revise minimum funding requirements, improve bankruptcy recoveries, and change the guarantee limits of the PBGC. In addition, assumes that the savings from these reforms are accounted for utilizing the long-established principles of accrual accounting. PBGC savings are estimated by applying reforms to only single-employer pension plans of publicly-traded firms.

Table 2–2. BUDGET IMPACT OF PROPOSED DEFENSE SAVINGS AND INCREASES IN THE PERSONAL EXEMPTION

(In billions of dollars)

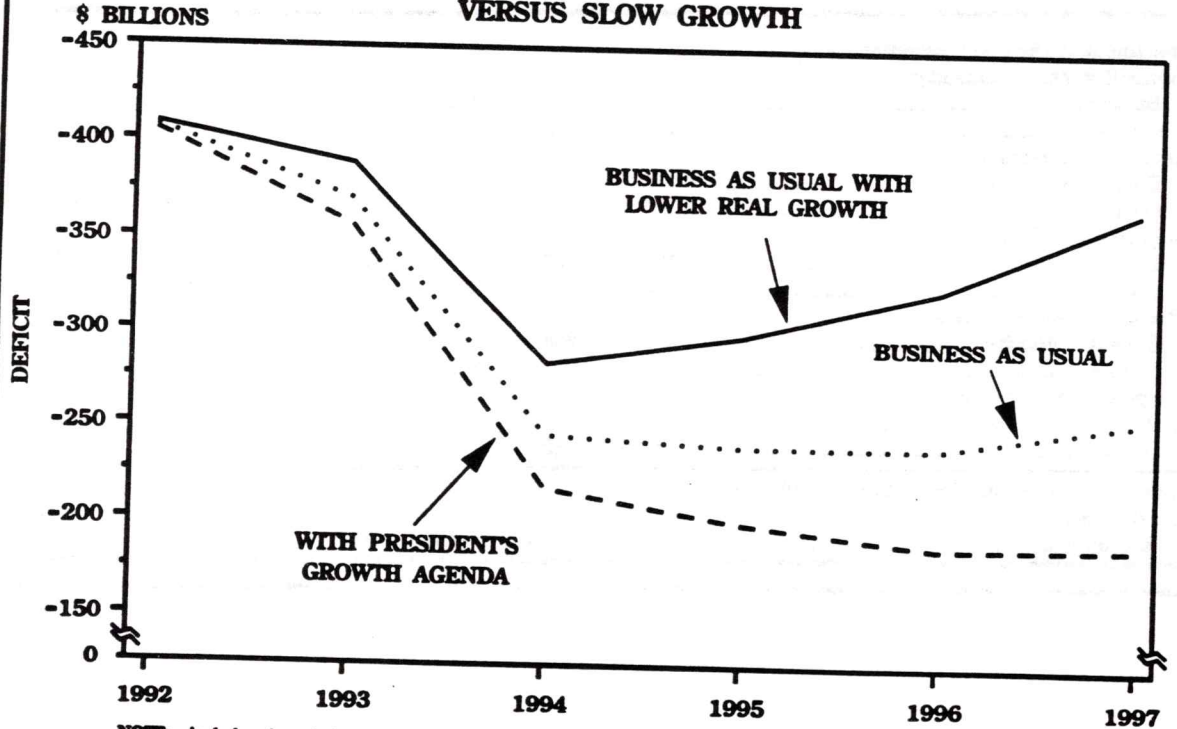
	1992	1993	1994	1995	1996	1997	1992–97
Department of Defense (Discretionary):							
Summit Baseline (extended):							
Budget Authority	278.2	278.6	279.0	281.5	283.4	288.2	1,688.9
Outlays	283.9	279.7	274.0	275.3	279.4	284.8	1,677.1
Inflation Adjustments							
Budget Authority	0.0	–2.3	–2.4	–2.4	–2.7	–2.8	–12.5
Outlays	0.0	–1.0	–1.7	–2.0	–2.4	–2.6	–9.7
Adjusted Baseline							
Budget Authority	278.2	276.3	276.6	279.1	280.7	285.4	1,676.4
Outlays	283.9	278.7	272.3	273.3	277.0	282.2	1,667.4
Proposed Defense Levels							
Budget Authority	271.6	268.4	268.6	270.7	271.3	275.5	1,626.0
Outlays	283.3	273.5	268.2	268.7	271.7	274.5	1,639.9
Proposed Defense Savings							
Budget Authority	–6.6	–7.9	–8.0	–8.4	–9.4	–10.0	–50.4
Outlays	–0.6	–5.2	–4.1	–4.6	–5.2	–7.7	–27.4
Increase in the Personal Exemption by $500 per child (effective Oct. 1, 1992):							
Revenues	—	–4.4	–4.6	–4.7	–5.0	–5.2	–23.9

Chart 2-3. THE IMPACT OF INTEREST AND DEPOSIT INSURANCE ON THE DEFICIT



NOTE: includes deposit insurance and pension guarantees on a cash basis

Chart 2-4. DEFICIT OUTLOOK: PRESIDENT'S GROWTH AGENDA VERSUS SLOW GROWTH



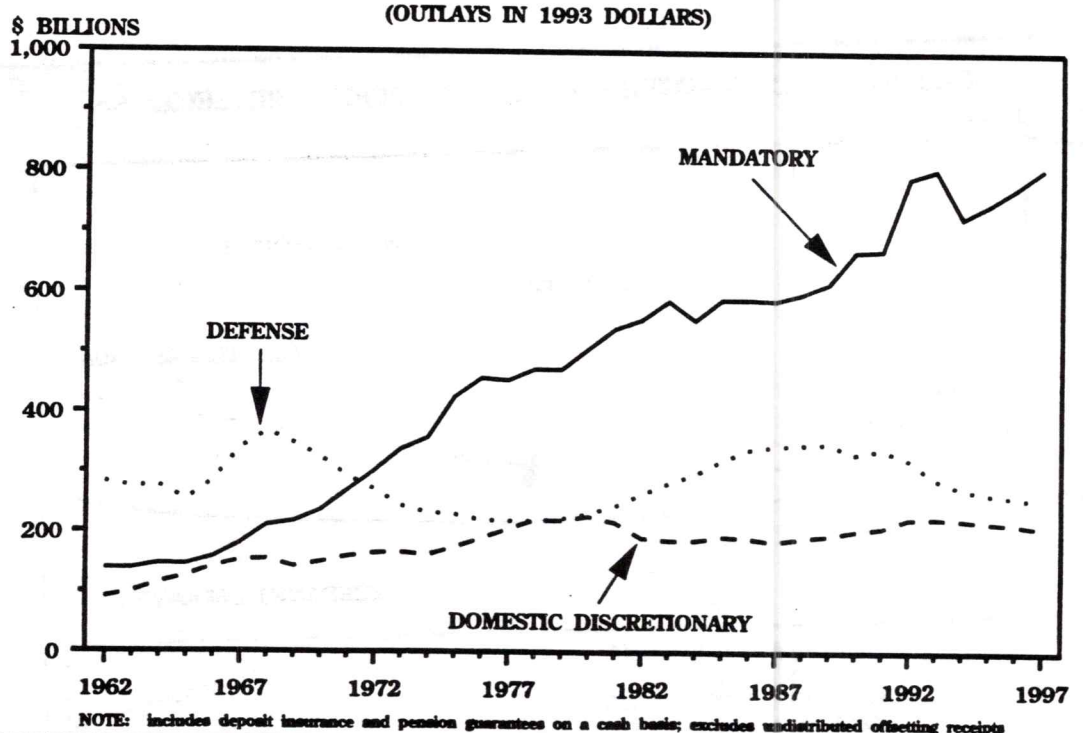
NOTE: Includes deposit insurance and pension guarantees on a cash basis

- ***Mandatory Program Growth.*** A third major reason for both the near-term and the long-term deficit problem is the continuing unrestrained *growth of so-called mandatory programs.* These are programs that do not come up for annual review or decision by either the Congress or the President. They are not "discretionary" in that they do not require annual appropriation; and they are not available for vote or veto. They just keep on going and growing automatically. Sometimes referred to as "uncontrollable," these programs are clearly out of control.

  "Mandatory" programs for 1993 now amount to $766.8 billion in spending per year ($980.6 billion including interest). They are projected to grow at an average of 7.2 percent over the next five years (excluding deposit insurance). Mandatory programs now account for over half of the federal budget (64.4 percent including interest). By contrast, it is interesting to note that such programs amounted to only 23 percent of the budget in President Kennedy's day. (See Chart 2–5.)

Apart from returning to strong economic growth, slowing the growth of "mandatory" programs is the most important key to bringing the deficit under control. To illustrate this point, one might suppose that "mandatory" programs were allowed to grow only at the rate necessary to accommodate increases in the eligible population and increases in the CPI. (These are, perhaps, what many naturally assume to be the causes of mandatory program growth.) But if mandatory programs were to grow only for population and the CPI, there would be enormous *savings.* Indeed, the cumulative deficit savings (relative to business-as-usual) would amount to a *shocking total: almost $390 billion*!

Chart 2-5. "MANDATORY" PROGRAMS ARE TAKING OVER THE BUDGET
(OUTLAYS IN 1993 DOLLARS)



NOTE: includes deposit insurance and pension guarantees on a cash basis; excludes undistributed offsetting receipts

Chart 2–6 shows graphically how much this seemingly rather modest proposal could do for deficit reduction. There is no realistic or responsible set of additional discretionary program reductions that is remotely close in its deficit-reduction potential. Chart 2–6 also suggests what is inescapably the case: the budget can be brought into balance in the intermediate term only by enacting *both* a growth agenda *and* restraint on the growth of "mandatory" programs.

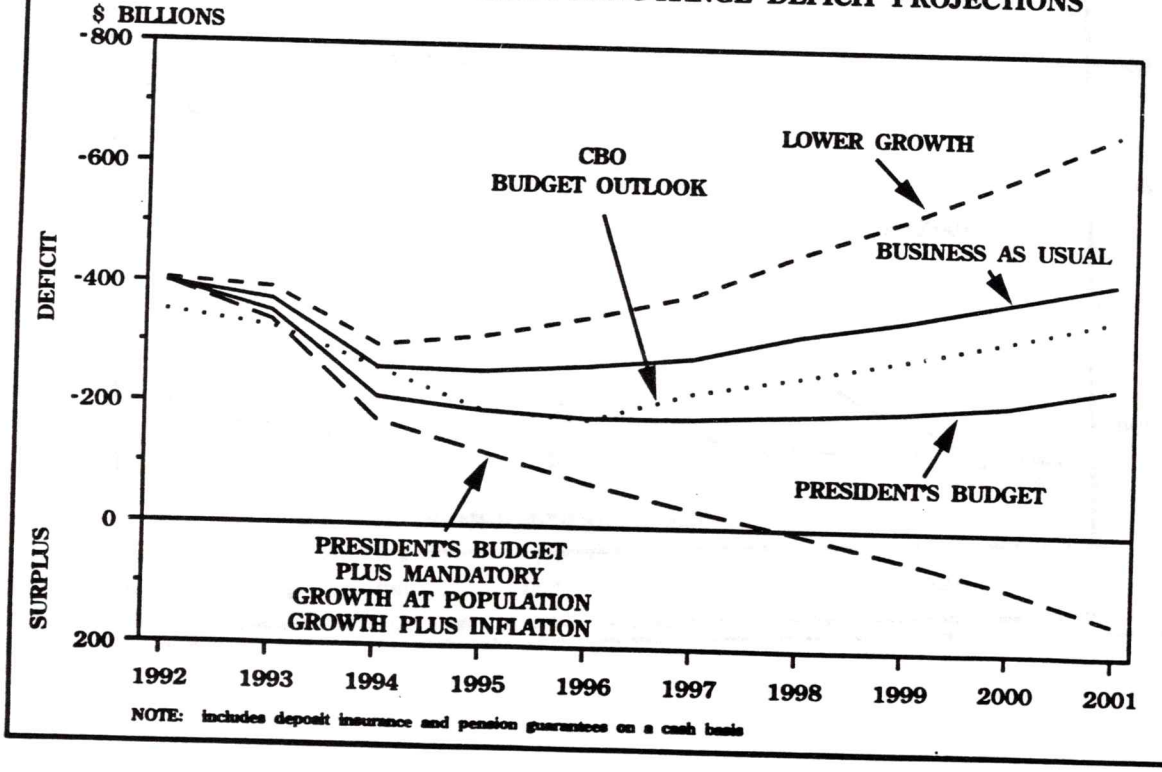
For this reason, the President's Budget goes beyond defense reductions and a domestic discretionary budget freeze. It also includes proposals to reduce the growth of mandatory spending by $68.4 billion by 1997. (See Table 2–4 for a summary of the proposed mandatory program changes.) This total does not include the very substantial additional savings that can and should be achieved with a serious approach to health reform (as discussed below).

In addition to specific proposed program changes, the Budget proposes to reduce the growth of hidden liabilities by capping cumulative total subsidies. (See Chapter 18.)

Further, the Budget proposes to remedy what is a fundamental flaw in the present system of budget discipline. The Administration supports an expanded and refined variation of the "entitlement cost cap" recently endorsed by the majority of the House Budget Committee. In order to give the Budget Committee's general concept focus and to move toward workable legislation, a more specific proposal is offered here:

- to cap "mandatory" program growth in aggregate;
- to set the cap at one growth rate prior to the enactment of comprehensive health reform, and at a lower growth rate following the enactment of comprehensive health reform;
- to set these growth rates at population–plus-CPI-plus an average of 2.5 percent and 1.6 percent, respectively;

Chart 2-6. ALTERNATIVE LONG-RANGE DEFICIT PROJECTIONS



- to require that any projected growth beyond the mandatory cap trigger the legislative reconciliation process to correct the excess spending growth; and
- as a fail-safe, to modify the pay-as-you-go system so that any uncorrected breach of the aggregate mandatory cap automatically triggers the sequester provisions for mandatory programs (while exempting Social Security from any such sequester).

If enacted, this addition would force legislative action on what is now "uncontrollable". It would slow the growth of the "mandatory" spending that is the largest part of the budgetary problem. This one procedural reform would go a long way toward remedying the most serious weakness in the discipline system of the current Budget Enforcement Act.

The existing Budget Enforcement Act system is really a combination of two systems. One is the old "Gramm-Rudman-Hollings" system, enacted in 1985. It was the principal disciplinary system for fiscal years 1986 through 1990. It returns to full force for application in 1994. But while that may be somewhat helpful, its earlier record does not offer great promise. The originally legislated Gramm-Rudman-Hollings deficit target for 1990 (its fifth year) was $36 billion. The actual result was $220 billion! It was this failure of the original Gramm-Rudman-Hollings system, in part, that necessitated the addition of a second system in 1990.

The second disciplinary system includes credit reform accounting, discretionary spending caps and associated mini-sequesters, and the pay-as-you-go system for new "mandatory" and revenue legislation. Each of these reforms has proved valuable and workable. All have been honored. But unfortunately, there is a vast area of spending they do not reach: *the entire inherited structure of automatic expenditure under pre-1990 law governing mandatory programs.*

This inherited structure is built into an explosively expanding spending "baseline." And although it amounts to more than half the budget, it is largely exempt from budgetary discipline. Hence: *the inescapable need for an enforceable cap on the growth of total mandatory spending.*

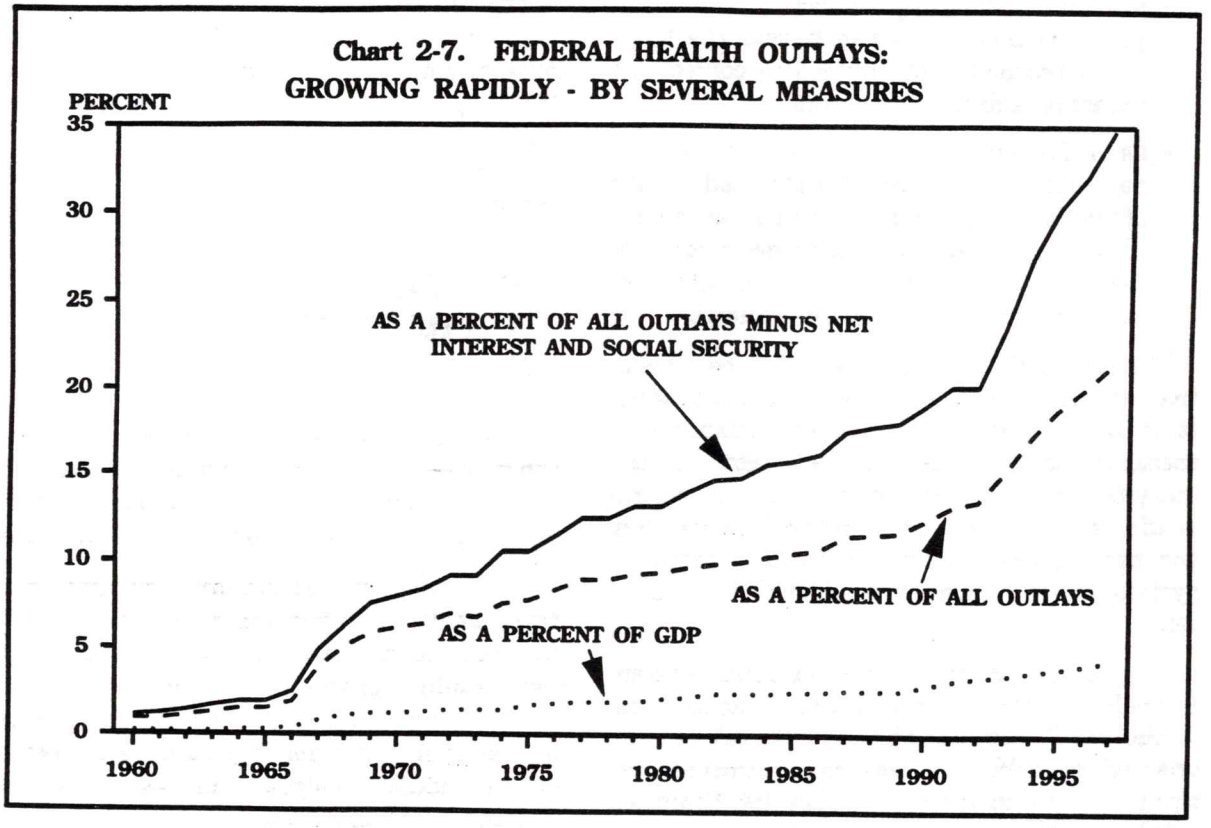
THE NEED FOR COMPREHENSIVE HEALTH REFORM

Individuals, families, businesses, and governments—all are increasingly strained to meet the growing burden of financing health (or more correctly, financing health care).

Within the vast "mandatory" program structure, health is increasingly dominant in its influence upon spending growth. It is the most rapidly growing. It is about to surpass Social Security in scale. And federal spending on health is rising sharply both as a percent of the federal budget and as a percent of GDP. (See Chart 2–7.)

What is true for the federal budget is also true for the nation as a whole. U.S. national health expenditures per capita have been rising dramatically in real terms. (See Chart 2–8.) U.S. per capita health expenditures have grown out of line with other developed countries. (See Chart 2–9.) Total U.S. public and private spending on health is literally on an *unsustainable path*—threatening to consume an impossible proportion of Gross Domestic Product. Even assuming a slowing of the trend, health expenditures will soon exceed 15 percent of GDP—up from slightly over 5 percent in President Kennedy's day. (See Chart 2–10.)

The fact that the current financing trends are unsustainable is sufficient to necessitate reform. But in addition, there is a strong equity argument for reform.


Chart 2-7. FEDERAL HEALTH OUTLAYS:
GROWING RAPIDLY - BY SEVERAL MEASURES
PERCENT
35
30
25
20
15
10
5
0
AS A PERCENT OF ALL OUTLAYS MINUS NET INTEREST AND SOCIAL SECURITY
AS A PERCENT OF ALL OUTLAYS
AS A PERCENT OF GDP
1960
1965
1970
1975
1980
1985
1990
1995

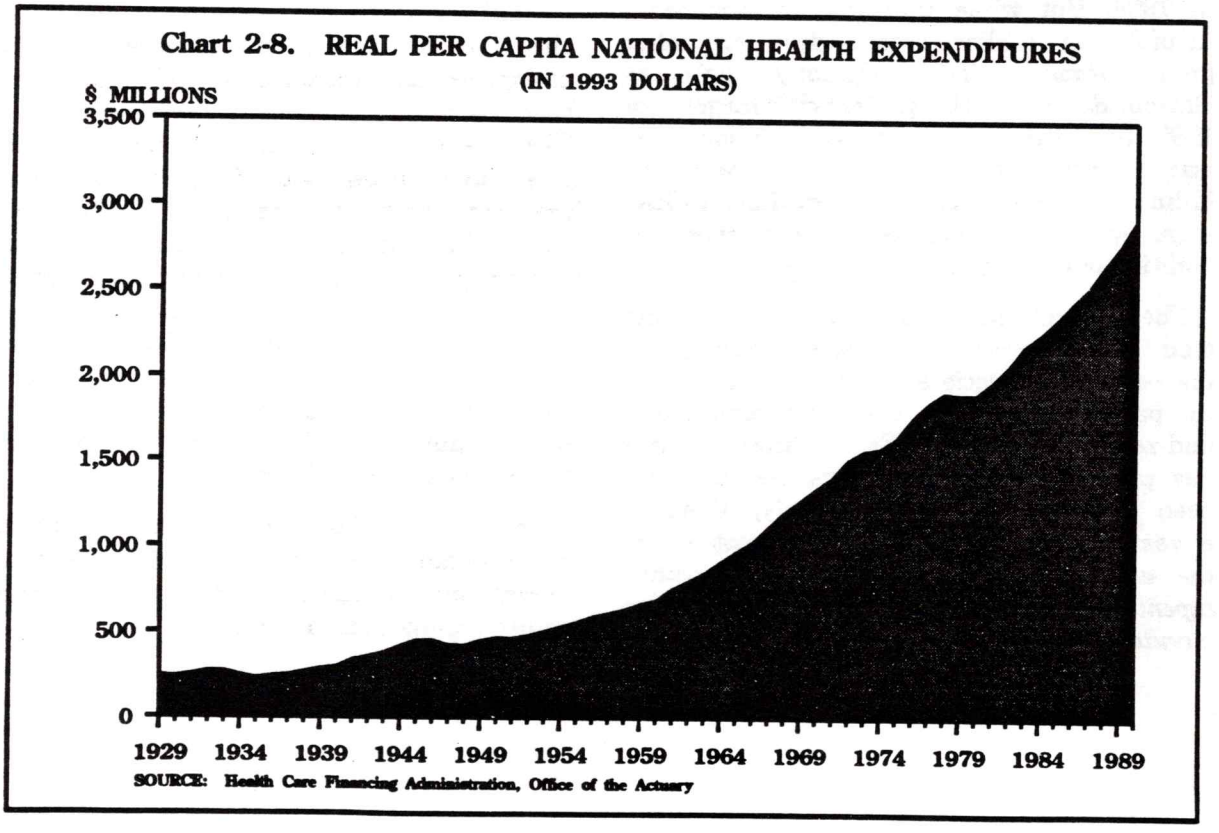
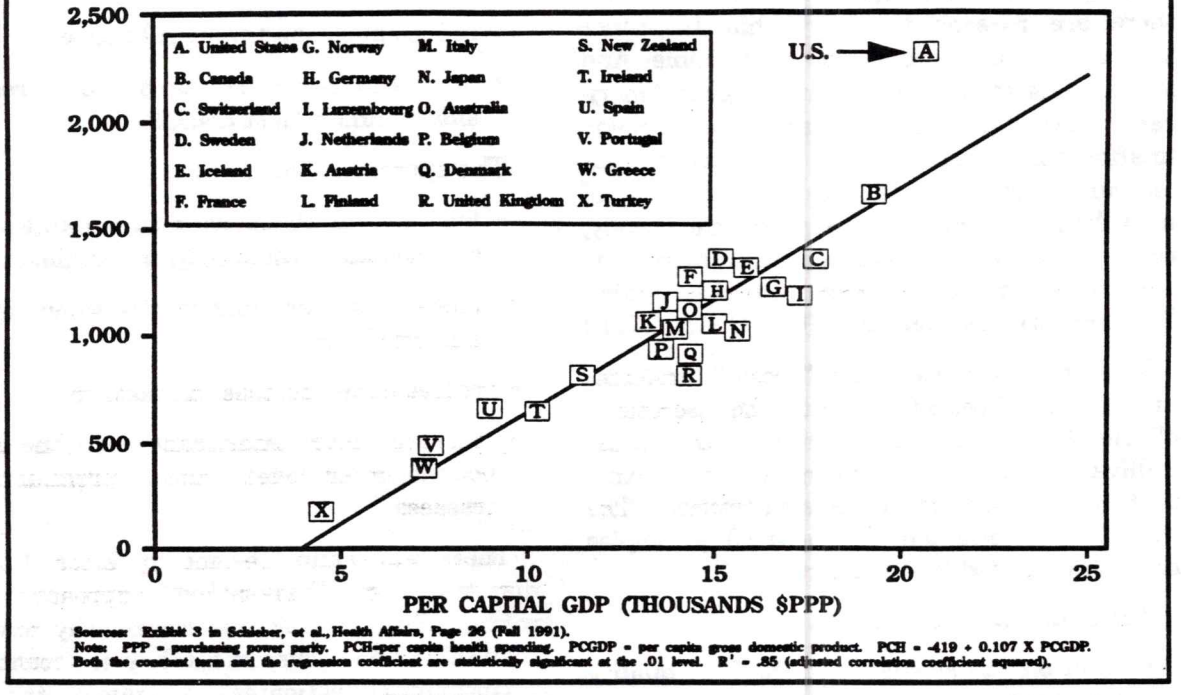
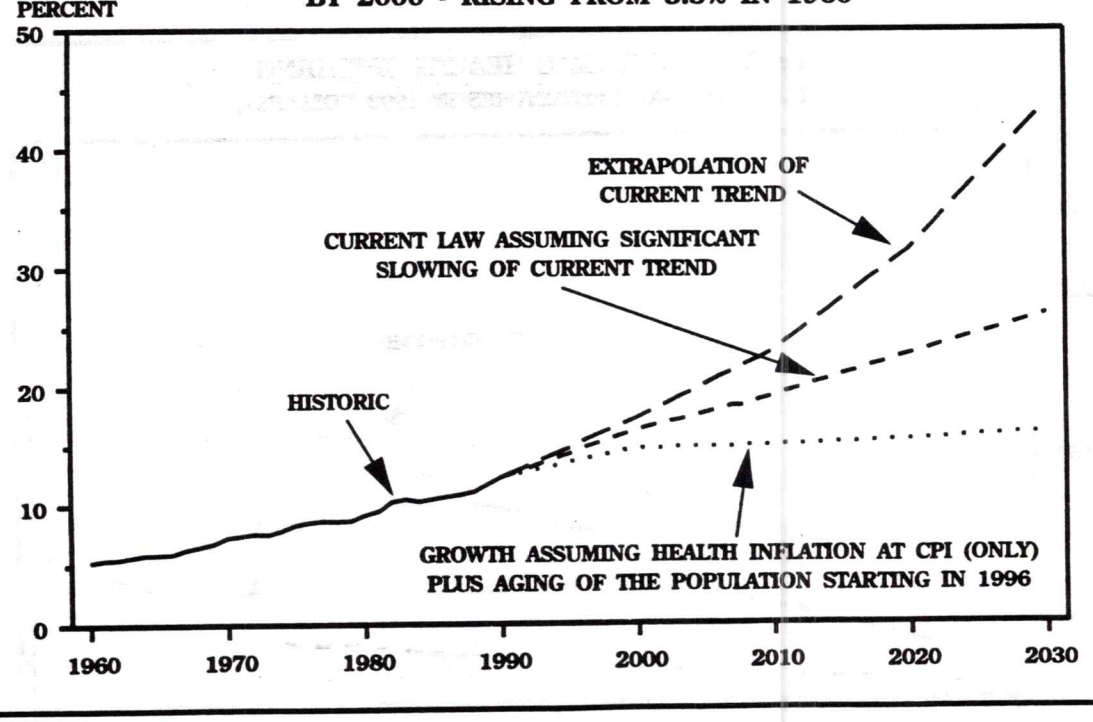

Chart 2-8. REAL PER CAPITA NATIONAL HEALTH EXPENDITURES
(IN 1993 DOLLARS)
$ MILLIONS
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1929
1934
1939
1944
1949
1954
1959
1964
1969
1974
1979
1984
1989
SOURCE: Health Care Financing Administration, Office of the Actuary

Chart 2-9. HEALTH SPENDING AND WEALTH IN OECD COUNTRIES, 1989



Source: Exhibit 3 in Schieber, et al., Health Affairs, Page 26 (Fall 1991).
Note: PPP = purchasing power parity. PCH=per capita health spending. PCGDP = per capita gross domestic product. PCH = -419 + 0.107 X PCGDP. Both the constant term and the regression coefficient are statistically significant at the .01 level. R^2 = .85 (adjusted correlation coefficient squared).

Chart 2-10. HEALTH SPENDING IS PROJECTED TO REACH 16.4% OF GDP BY 2000 - RISING FROM 5.3% IN 1960



Notwithstanding the enormous national health expenditure, millions of Americans have inadequate or insecure health insurance coverage. For many middle-income Americans there are reasons to worry that insurance may become unaffordable or unavailable. And for millions of poor and working poor Americans, basic health insurance is already unaffordable. Further, to the extent that federal health expenditures are thought of as filling the financing gap for the needy, there is a basic misconception. In reality, most of the growth in federal health spending has gone to the non-poor. (See Chart 2–11.)

With both the cost and "access" problems in view, the President directed the Secretary of Health and Human Services, Dr. Louis Sullivan, to lead the development of a comprehensive approach to health reform. The President determined that several principles should be applied in this effort.

The approach to reform should:

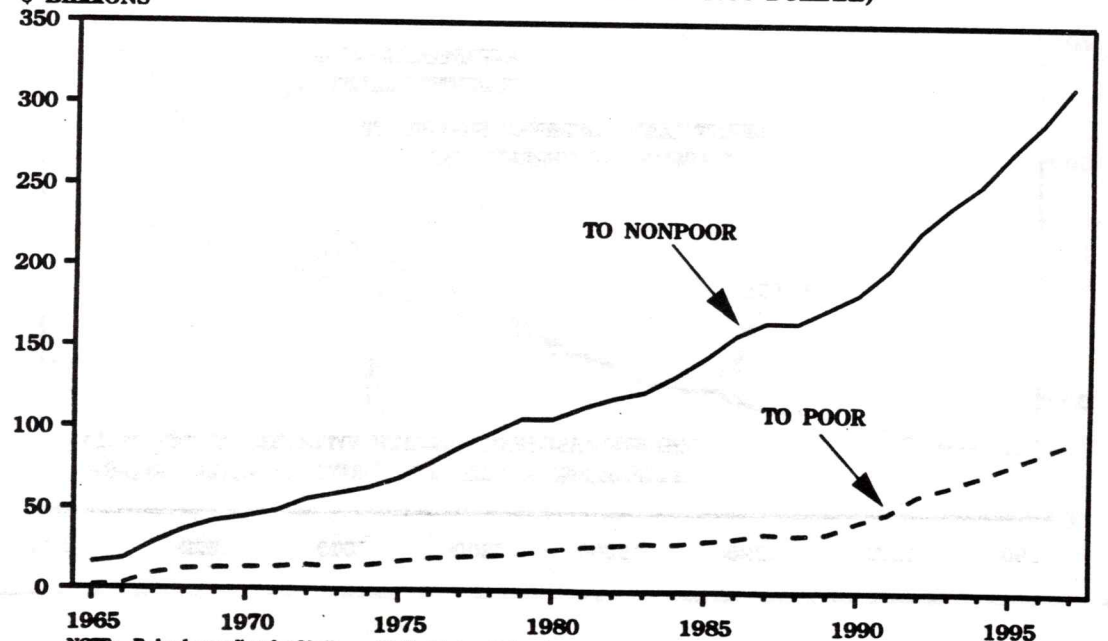
- build on the strengths of the high-quality American health system;
- assure access to basic health insurance coverage for Americans and increase the affordability of such coverage;
- strengthen incentives for cost control and consumer choice;
- emphasize prevention;
- reduce abuse and wasteful excess;
- meet the requirements of fiscal responsibility and budget discipline.

The approach *should not:*

- lead to comprehensive governmental price controls and rationing by government;
- create new spending mandates for states and employers;
- require a net increase in taxes; or
- threaten older Americans with the prospect of either benefit cuts or premium increases.

These tests cannot be met by either "Canadian-style" or "Play-or-Pay" approaches to reform. Such approaches necessarily involve comprehensive governmental price controls, governmental rationing, or major tax increases. Over time, they threaten to degenerate and require a combination of these undesirable characteristics.

Chart 2-11. FEDERAL HEALTH SPENDING
(OUTLAYS AND TAX EXPENDITURES IN 1993 DOLLARS)



NOTE: Federal spending for Medicare, Medicaid, hospital and medical care for veterans, and other payments to individuals for health purposes; and tax expenditures for employment-provided health plans and for deductions of health expenses. Spending share to poor reflects percent of recipients with money incomes below poverty thresholds.
SOURCE: Census Bureau publication on receipt of noncash benefits

By contrast, the President's Plan meets the tests of a responsible approach—without forcing either a major tax increase or a government take-over of the health sector. It gives far greater emphasis to individual *choice* and to incentives for more *cost-effective delivery* of high-quality American health care.

The details of the President's Plan will be released in early February.

RESTRUCTURING AND REFORM— LOOKING BEYOND THE MOMENT

At the moment, the number one concern for most Americans is to get the economy moving again. Understandably, this is the immediate priority. Hence, the President's call for prompt Congressional action on his Agenda for Growth.

Among other major issues of current concern, perhaps the highest priority is to reduce the burden of rising health costs. Hence, the President's Plan for comprehensive health reform.

These two areas of concern have received the most attention in the discussion above—as they have in decisions about the allocation (and reallocation) of budgetary resources. It is likely that they will also be the predominant focus of near-term Congressional interest. The American political system is better designed than any to reflect the public's concerns of the moment.

This is thoroughly appropriate. If the political system acts responsibly in these areas of current concern, it will not only make the economic lives of most Americans better in the near term. It will also go a long way toward relieving the current sense of uncertainty and insecurity—the sense of worry noted at the start of this Introduction.

But a President's Budget must not only address concerns of the moment. It must also look toward the future.

Whether explicitly or implicitly, a budget inescapably addresses the future. In responding to current concerns, for example, a budget might allow debt to rise (as a percent of GDP) without attention to future returns. If there were no such attention to future returns, that would be an important (although regrettable) value statement. It would implicitly weigh the interests of future generations less heavily than the interests of the present. The President's Budget rejects such a perspective. As each of the President's previous Budgets has done, this Budget explicitly treats both:

- *Hidden Liabilities* (see Chapters 12 through 14); and
- *Investment in the Future* (see Chapters 4 through 11).

In assessing a budget's relationship to the future, one must also look beyond the balance sheet and numbers. Numbers can be misleading. This is true not simply because specific numbers can be wrong (as has been amply demonstrated). It is also true because even their relative proportions can be a poor guide to returns on investment.

Small investments can have large future returns. One might consider, for example, this Budget's investments in high performance computing, materials processing, biotechnology, and a host of other generic areas of research and development. (See Chapter 6.) Several of these have enormous and exciting potential to increase radically both American productivity and the quality of life.

Conversely, the mere fact that an area of investment is large and increasing does not necessarily mean that its return will be high. Education, for example, is an area of investment that should have high future returns. But the history of the past several decades shows that a rise in investment can be accompanied by a decline in performance. In such cases, clearly, one must look beyond the numbers to the associated policies for reform and restructuring. (See Chapter 4.)

As a general matter, particular budget proposals are given greater meaning by reference to the larger policies with which they are associated. The chapters which follow, therefore, attempt to frame the President's budgetary proposals in their larger policy context. They are presented in relation to

longer-term themes that comprise an agenda for restructuring and reform.

Thus, for example:

- **Increasing Investment vs. Consumption.** The Budget includes thousands of recommendations for discretionary funding of specific projects—in areas ranging from high-technology R&D to low-technology infrastructure. Although the projects have specific merit, their funding should be understood as part of a larger pattern: *an intended shift (at the margin) away from current consumption, toward investment in the future.* (See Chapters 4 through 11.)

- **Limiting Future Liabilities.** The Budget includes mandatory caps, subsidy caps, accounting reforms, and other such arcane technical modifications to the Budget Enforcement Act. These should be understood as part of the *larger effort to limit the future burden of debt and hidden liabilities.* (See Chapters 12, 13, and 18.)

- **Encouraging Entrepreneurship.** The Budget includes proposals for tax incentives to increase investment in capital assets, R&D, and Enterprise Zones. These should be understood not merely as short-term economic stimuli. They are also part of a *longer-term effort to reinvigorate American risk-taking, pioneering, and the entrepreneurial spirit.*

- **Using States as Laboratories.** The Budget includes seemingly technical proposals to consolidate federal grants to States and to facilitate the use of waivers. These should be seen as part of a larger effort to *take greater advantage of the innovative power of the American federal system by using "States as Laboratories."* (See Chapters 19 and 20.)

- **Fostering Personal Responsibility.** The Budget includes increased investment in crime prevention, drug-abuse prevention, incentives for savings, homeownership, and preventive health. This should be seen in conjunction with a related effort *to strengthen the values and habits of personal responsibility.* (See Chapters 5, 8, 9, 22, and the President's Plan for comprehensive health reform.)

- **Increasing Choice and Competition in Service Delivery.** The Budget includes measures to encourage States to adopt educational funding systems that allow funds to "follow the child" in accordance with parental choice. Similarly, the Budget increases investment in housing vouchers and child care certificates. And the President's Plan for health reform proposes a major shift toward transferrable tax credits for basic health insurance. All such measures should be understood as means to *increase individual and family choice.* They are also necessary to provide bottom-up competitive pressure for innovation and reform. They thus help in the *larger effort to accelerate the cost-effective restructuring of large-scale, bureaucratic service systems. These service systems (as in health and education) are now often inefficient or ineffective—and, in many cases, in need of radical, longer-term reform.*

While the American political system is unrivaled in its sensitivity to current interests, it is often less-than-exemplary in its attention to the longer term. So, one can be relatively confident that the short-term economic agenda will command intense attention. But it may be somewhat more difficult to sustain a focus on the long-term agenda of restructuring and reform.

It is important to emphasize, however, that America's economic difficulties are not merely a function of a cyclical short-term downturn. *Many problems would have demanded attention with or without a recession.* The most important of these, perhaps, is the need to increase America's long-term productivity growth. This is a key to future economic growth, to the capacity to support an improving quality of life, and to American competitiveness in a global economy.

But substantial improvement in productivity will not come quickly or easily. It will demand more than just a tax incentive here or a bridge there. It demands action on the full agenda for restructuring and reform: investing in the future; limiting future liabilities; encouraging entrepreneurship; using States as laboratories; increasing choice, competition, and cost-effectiveness in the delivery

of services; and fostering personal responsibility.

The Budget includes important initiatives in all these areas of reform. They are rooted in policies which seek to remedy current weaknesses by building on traditional American strengths and values. They look not only toward economic recovery for the short-term, but toward a responsible basis for confidence in the future.

RICHARD DARMAN
DIRECTOR,
OFFICE OF MANAGEMENT AND BUDGET

Additional Tables Attached:

Table 2–3:	Outlays, Revenues, and Deficits (Excluding Comprehensive Health Reform)	p. 25
Table 2–4:	Mandatory Outlay Proposals (Excluding Comprehensive Health Reform)	p. 26
Table 2–5:	Revenue Proposals (Excluding Comprehensive Health Reform)	p. 28
Table 2–6:	Proposed Spending by Agency (Excluding Comprehensive Health Reform)	p. 29
Table 2–7:	Discretionary Proposals by Appropriations Subcommittee	p. 30
Table 2–8:	Federal Employment in the Executive Branch	p. 31
Table 2–9:	Economic Projections Assuming President's Program	p. 32

Table 2–3. OUTLAYS, REVENUES, AND DEFICITS (Excluding Comprehensive Health Reform)

(In billions of dollars)

Categories	1991 Actual	1992 Budget	1993 Budget	1994 Budget	1995 Budget	1996 Budget	1997 Budget
Outlays							
Discretionary:							
Domestic	195.4	216.2	224.7	229.3	232.2	236.9	236.8
Defense:							
Department of Defense	309.0	300.4	278.7	270.2	269.6	271.8	274.4
Other Defense	10.7	12.5	12.9	13.4	13.9	14.7	15.3
Total Defense	319.7	312.9	291.6	283.7	283.5	286.5	289.8
International	19.7	20.1	20.6	21.4	21.3	21.5	21.2
Total Discretionary	534.8	549.2	537.0	534.3	537.0	544.8	547.8
Mandatory:							
Deposit insurance	66.3	80.1	75.7	-25.0	-27.2	-21.7	-32.2
Federal retirement	75.8	78.3	81.1	85.6	88.7	91.2	96.4
Means-tested entitlements	62.6	74.8	77.4	82.5	87.5	89.4	95.5
Medicaid	52.5	72.5	84.5	98.2	113.7	131.1	150.7
Medicare	102.0	116.0	126.5	140.1	156.0	176.2	197.7
Social Security	266.8	284.3	299.7	315.1	330.8	347.4	364.8
Unemployment insurance	25.3	32.0	25.6	25.0	24.7	24.3	24.6
Other	-57.7	-10.9	-4.6	-12.0	-17.8	-28.2	-24.9
Subtotal Mandatory	593.7	727.2	765.9	709.5	756.3	809.6	872.6
Net Interest*	194.5	198.8	213.8	231.0	242.2	253.0	263.2
Total Outlays	1,323.0	1,475.1	1,516.7	1,474.8	1,535.5	1,607.5	1,683.6
Revenues	1,054.3	1,075.7	1,164.8	1,263.4	1,343.5	1,427.5	1,501.8
Deficit	-268.7	-399.4	-351.9	-211.4	-192.1	-180.0	-181.8
Deficit/Surplus (excluding interest)	-74.2	-200.6	-138.1	+19.6	+50.1	+73.0	+81.4
Deficit/Surplus (excluding deposit insurance & interest)	-7.9	-120.5	-62.4	-5.5	+22.9	+51.3	+49.3
Memorandum							
Deficit on an accrual basis	-268.7	-365.2	-332.7	-242.8	-217.8	-193.7	-203.3
Social Security (included above):							
Operating Surplus	53.5	50.2	63.4	75.9	86.9	101.1	115.0
Interest	20.2	23.9	27.0	31.1	35.7	41.1	47.4
Total	73.7	74.1	90.4	107.0	122.6	142.2	162.4

*Slight variation from estimates printed in appendices due to a late correction in the rate of redemption of State and local governments' holdings of Treasury Securities.

Table 2–4. MANDATORY OUTLAY PROPOSALS (Excluding Comprehensive Health Reform)

(In millions of dollars)

	1992	1993	1994	1995	1996	1997	1992–97
Agriculture:							
Commodity Credit Corporation: reduce subsidies to those with off-farm income over $100,000	-5	-65	-150	-150	-150	-150	-670
Food stamps: effect of increased child support enforcement (net)	0	0	0	-5	-30	-33	-68
Agriculture marketing service: user fees	0	-7	-10	-10	-10	-10	-47
Child nutrition: more equitable distribution of school lunch subsidies	-1	6	5	2	-5	-18	-11
Cooperative State Research Service: eliminate Morrill-Nelson funds	0	-3	-3	-3	-3	-3	-15
Commerce:							
Patent and Trademark Office: extend user fee surcharges	0	0	0	0	-107	-107	-214
Corps of Engineers:							
Expand existing user fees for day use of developed recreational sites	-10	-20	-20	-20	-20	-20	-110
Education:							
Guaranteed student loans:							
Extend the current law elimination of the statute of limitations on collecting defaulted loans	-266	0	0	0	0	0	-266
Net cost from GSL loan limit increase and other policy changes	0	3	121	208	255	277	864
Energy:							
Power marketing reform: recover the Federal Government's financing costs by changing PMA debt repayment practices	0	-399	-432	-453	-458	-454	-2,196
Alaska Power Administration: pay-as-you-go effect of asset sale	0	0	10	11	11	10	42
HHS:							
Family support program:							
Improve the child support enforcement system	0	-134	-149	-164	-181	-186	-814
Raise the asset limit to $10,000 for families already on AFDC and allow families on AFDC to exclude some income and resources needed to meet the objectives of a "self-support" plan at State option (includes Medicaid and food stamp effects)	0	6	26	71	72	74	249
Limit AFDC emergency assistance to statutory limit provided in one 30-day period every 12 months	0	-39	-40	-41	-41	-42	-203
Medicaid: enhance medical support for children	0	-5	-10	-10	-15	-15	-55
Medicare:							
Place hospital update on calendar year basis	0	-630	-1,050	-1,160	-1,210	-1,330	-5,380
Limit Federal subsidy to 25% of SMI program costs for high income persons ($100K single/$125K couple)	-59	-313	-427	-580	-757	-963	-3,099
Establish a single fee for supervisory anesthesia services	0	-100	-140	-200	-230	-250	-920
Authorize HHS Secretary to adjust DME reimbursements to reflect market factors	0	-20	-80	-110	-130	-140	-480
Reform payment of laboratory services by lowering cap from 88% to 76% of the median and update, as needed to reflect market factors	0	-310	-560	-770	-1,020	-1,320	-3,980
SSI: recover overpayments by withholding other Social Security payments	0	-34	-25	-24	-23	-23	-129

Table 2–4. MANDATORY OUTLAYS PROPOSALS (Excluding Comprehensive Health Reform)—Continued

(In millions of dollars)

	1992	1993	1994	1995	1996	1997	1992–97
Interior:							
Arctic National Wildlife Refuge (ANWR): oil and gas exploration rights	0	0	-2,561	-1	-1,531	-1	-4,094
State of Alaska's share of ANWR oil and gas exploration rights	0	0	1,280	*	765	*	2,045
Coastal communities impact assistance: Outer Continental Shelf (OCS) revenue sharing	0	0	26	37	52	66	181
Justice:							
Civil liberties public education fund: request additional funds required for additional eligible recipients	0	250	0	0	0	0	250
Labor:							
Trade adjustment assistance: consolidated with EDWAA	0	-116	-193	-199	-198	-196	-902
Unemployment insurance extended benefits: expand and extend to December 31, 1992	2,203	2,220	0	0	0	0	4,423
Treasury:							
IRS: uniform application to all taxpayers of 45 day processing rule	-21	-310	-335	-361	-391	-422	-1,840
Veterans:							
Home loans: consider government losses on resale when deciding whether to purchase foreclosed property or pay lenders the guaranty claim, and require veterans who are second and subsequent users to pay a 2.5% fee and 10% downpayment	0	-660	-124	-125	-124	-130	-1,163
Medical cost recoveries: extend sunset on authority to recover costs from health insurers of service-connected veterans for treatment of non-service connected conditions	0	0	-225	-255	-274	-280	-1,034
Pensions: extend eligibility verification with IRS match, reduce benefits to veterans receiving medicaid-covered nursing home care, and other provisions	0	-161	-181	-202	-226	-250	-1,020
Readjustment benefit: provide eligibility for vocational rehabilitation to veterans rated 30% disabled or greater, and restore 9:1 service members' benefit/contribution ratio for contributions to GI bill	0	-43	-49	-59	-56	-60	-267
Federal Communications Commission:							
Spectrum auction	0	0	0	-1,253	-1,665	-833	-3,751
Farm Credit System Financial Assistance Corporation:							
Accelerate system repayments of FAC (bailout) debt	0	-212	0	0	0	0	-212
Office of Personnel Management:							
Civil service retirement: permanently extend elimination of lump-sum option	0	0	0	0	-2,144	-2,926	-5,070
Federal employee health benefits:							
Apply Medicare Part B payment limits to all FEHBP enrollees age 65 and older (not just FEHBP/Medicare dual enrollees)	0	-85	-40	-75	-85	-95	-380
Cross-cutting:							
Credit collection reforms	-96	0	0	0	0	0	-96
Subtotal, mandatory proposals (except deposit insurance and PBGC)	1,745	-1,181	-5,336	-5,901	-9,929	-9,830	-30,432
Deposit insurance: expanded powers, interstate banking, and account limitations (accrual basis)	-700	-1,800	-500	-4,400	-5,400	-3,400	-16,200
PBGC: improved funding and changes to bankruptcy status (accrual basis)	-8,700	-2,500	-2,700	-1,700	-3,300	-2,900	-21,800
Subtotal, deposit insurance and PBGC (accrual basis)	-9,400	-4,300	-3,200	-6,100	-8,700	-6,300	-38,000
Total, mandatory proposals (accrual basis)	-7,655	-5,481	-8,536	-12,001	-18,629	-16,130	-68,432

Table 2–5. REVENUE PROPOSALS (Excluding Comprehensive Health Reform)

(In millions of dollars. See Table 2–1 for pay-as-you-go totals that meet the Budget Enforcement Act requirements.)

	1992	1993	1994	1995	1996	1997	1992–97
Jobs and Investments:							
Enhance long-term investment: capital gains	600	3,800	2,100	300	300	-200	6,900
Provide passive loss relief for real estate	-130	-418	-396	-449	-516	-592	-2,501
Adopt investment tax allowance	-6,055	-1,580	3,529	941	810	623	-1,732
Simplify and enhance AMT depreciation	-204	-376	-354	-261	-179	-123	-1,497
Extend R&E tax credit	-183	-823	-1,353	-1,577	-1,804	-2,104	-7,844
Extend R&E allocation rules	-155	-482	-278	—	—	—	-915
Extend low-income housing tax credit	-37	-167	-312	-390	-416	-417	-1,739
Extend targeted jobs tax credit	-56	-154	-161	-92	-48	-26	-537
Extend business energy tax credits	-*	-42	-27	-7	3	3	-70
Extend first-time farmer bonds	-*	-*	-*	-*	-*	-*	-1
Establish enterprise zones	—	-50	-160	-310	-520	-750	-1,790
Facilitate real estate investments by pension funds and others	-*	-*	-*	-*	-*	-*	-*
Repeal luxury tax on airplanes and boats and repeal diesel fuel exemption [1]	-7	15	14	12	8	7	49
Families, Health, Education and Savings:							
Permit deduction of interest on student loans	-58	-443	-655	-721	-796	-882	-3,555
Establish flexible IRA accounts	112	481	68	-371	-989	-2,096	-2,795
Promote retirement saving and simplify taxation of pension distributions	82	28	5	279	365	389	1,148
Waive penalty for withdrawals from IRAs for medical and educational expenses	-22	-118	-123	-126	-128	-131	-648
Extend health insurance deduction for self-employed	-57	-246	-261	—	—	—	-564
Extend HI coverage to State and local employees [1]	344	1,567	1,545	1,548	1,544	1,543	8,091
Double and restore adoption deduction	-*	-3	-3	-3	-3	-3	-15
Expand public transit exclusion	-7	-12	-13	-14	-15	-17	-78
Homebuyers:							
Provide credit to first-time homebuyers	-201	-2,067	-2,535	-637	167	110	-5,163
Allow deduction for loss on sale of principal residence	-41	-412	-392	-372	-354	-336	-1,907
Waive penalty for withdrawals from IRAs for first-time homebuyers	-5	-79	-97	-117	-125	-92	-515
Extend mortgage revenue bonds	-1	-20	-62	-82	-77	-73	-315
Other:							
Support revenue neutral tax simplification	—	—	—	—	—	—	—
Revise rules for charitable contributions	-37	108	116	125	144	166	622
Conform book and tax accounting for securities inventories	245	597	753	773	798	826	3,992
Disallow interest deductions on corporate-owned life insurance loans	121	269	386	521	591	650	2,538
Prohibit double dipping by thrifts receiving Federal financial assistance	350	417	57	4	-40	143	931
Equalize tax treatment of large credit unions and thrifts	103	177	187	197	208	219	1,091
Modify taxation of annuities without life contingencies	42	156	239	318	409	512	1,676
Expand communications excise tax [1]	15	82	86	91	96	102	472
Extend orphan drug tax credit	-2	-12	-13	-14	-15	-16	-72
Establish FCC non-application processing fees	—	71	71	71	71	71	355
Extend abandoned mine reclamation fees	—	—	—	—	228	251	479
Increase employee contributions to CSRS	—	448	1,053	1,216	1,219	1,209	5,145
Conform definition of compensation under Railroad Retirement Tax Act to that of social security	—	13	17	17	17	17	81
Implement Uruguay Round	—	-4	21	13	-50	-86	-106
Total effect of proposals (excluding personal exemption)	-5,244	721	3,052	883	903	-1,103	-789
Personal exemption ($500 per child)	—	-4,356	-4,553	-4,740	-4,993	-5,176	-23,819
Grand total	-5,244	-3,635	-1,501	-3,857	-4,090	-6,279	-24,608

* $500 thousand or less.
[1] Net of income tax offsets.

Table 2–6. PROPOSED SPENDING BY AGENCY (Excluding Comprehensive Health Reform)

(In billions of dollars)

Agency	1992[1]				1993			
	Discretionary		Mandatory Outlays	Total Outlays	Discretionary		Mandatory Outlays	Total Outlays
	BA	Outlays			BA	Outlays		
Cabinet Agencies:								
Agriculture	14.9	14.0	47.8	61.8	14.4	14.4	45.0	59.4
Commerce	3.0	3.0	–0.1	2.9	2.9	3.0	–0.1	2.9
Defense-Military	282.0	300.5	–5.8	294.7	267.9	278.7	–0.8	277.9
Education	22.6	20.9	5.6	26.5	24.3	22.6	7.8	30.4
Energy	18.9	17.8	–1.9	16.0	19.4	18.4	–1.9	16.5
Health & Human Services	29.9	30.3	513.8	544.1	29.3	30.8	554.4	585.2
Housing & Urban Development	24.7	22.9	1.3	24.2	23.7	25.5	2.7	28.1
Interior	7.1	7.2	*	7.2	6.5	6.7	*	6.7
Justice	8.8	8.3	1.1	9.4	9.7	9.3	1.1	10.4
Labor	9.4	9.5	34.7	44.2	9.4	9.5	28.3	37.8
State	4.3	4.2	0.3	4.5	5.0	4.8	0.4	5.2
Transportation	14.2	33.1	0.3	33.4	12.8	34.2	0.3	34.5
Treasury	9.6	9.6	2.1	11.6	10.2	10.2	2.7	12.9
Veterans Affairs	15.6	15.2	18.4	33.6	16.3	16.1	18.1	34.1
Major Agencies:								
Corps of Engineers	3.6	3.4	*	3.4	3.5	3.5	*	3.5
Deposit Insurance	*	0.1	80.1	80.2	*	0.1	75.7	75.8
Environmental Protection Agency	6.7	6.1	–0.1	5.9	7.0	6.4	–0.2	6.2
General Services Administration	0.4	0.6	–0.2	0.4	0.5	1.4	–0.2	1.2
National Aeronautics and Space Administration	14.3	13.8	*	13.8	15.0	14.1	*	14.1
Office of Personnel Management	0.1	0.2	35.9	36.1	*	0.1	37.5	37.6
Small Business Administration	0.8	0.7	–0.2	0.5	0.5	0.6	–0.3	0.3
Other Agencies:								
Executive Office of the President	0.2	0.2	*	0.2	0.3	0.3	*	0.3
Foreign Assistance and related programs	26.7	12.9	–0.7	12.2	13.7	12.7	–0.7	12.0
Judicial Branch	2.2	2.2	0.2	2.4	2.6	2.6	0.2	2.8
Legislative Branch	2.4	2.4	0.4	2.8	2.5	2.5	0.3	2.8
Other Independent Agencies	11.2	10.3	33.0	43.3	10.7	10.7	35.9	46.6
Allowances	0.0	0.0	–0.1	–0.1	–0.5	–0.4	0.0	–0.4
Undistributed offsetting receipts	0.0	0.0	–38.8	–38.8	–1.4	–1.4	–40.1	–41.5
Net Interest	0.0	0.0	198.8	198.8	0.0	0.0	213.8	213.8
Total	533.9	549.2	926.0	1,475.1	506.3	537.0	979.7	1,516.7

[1] Includes impact of supplementals and recissions.
* $50 million or less.

Table 2–7. DISCRETIONARY PROPOSALS BY APPROPRIATIONS SUBCOMMITTEE

(In millions of dollars)

Appropriations Subcommittee	1992 Budget[1]		1993 Budget		Change: 1992 to 1993	
	BA	Outlays	BA	Outlays	BA	Outlays
Domestic Discretionary						
Commerce, Justice, State and Judicary	15,971	15,519	16,578	16,619	607	1,100
Defense	75	59	—	13	-75	-46
District of Columbia	700	690	688	698	-12	8
Energy and Water	9,860	9,251	8,910	8,452	-950	-799
Interior	13,141	12,610	12,486	12,475	-655	-135
Labor, HHS, Education	60,563	59,467	61,985	61,848	1,422	2,381
Legislative Branch	2,343	2,338	2,494	2,435	151	97
Rural Development, Agriculture	11,812	11,071	11,166	11,172	-646	101
Transportation	13,764	32,435	12,368	33,500	-1,396	1,065
Treasury-Postal Service, and General Government	11,050	11,329	11,217	12,124	167	795
Veterans Affairs, HUD, Independent Agencies	65,408	61,430	65,748	65,927	340	4,497
Allowances	—	—	-562	-524	-562	-524
Less Designated Emergencies and Desert Shield/Desert Storm amounts	-1,931	-1,372	-142	-544	1,789	828
Total Domestic Discretionary ("BA Freeze")	**202,757**	**214,827**	**202,936**	**224,195**	**179**	**9,368**
International Discretionary						
Commerce, Justice, & State—Funcition 150	4,978	4,886	5,661	5,477	683	591
Foreign Operations	15,683	13,697	15,144	13,724	-539	27
Labor, HHS, and Education	11	12	11	11	—	-1
Rural Development, Agriculture and Related	1,484	1,474	1,323	1,378	-161	-96
Less Designated Emergencies and Desert Shield/Desert Storm amounts	—	-80	—	-23	—	-57
Total International	**22,156**	**19,989**	**22,139**	**20,568**	**-17**	**579**
Defense Discretionary						
Defense, including Military Construction	281,987	300,429	267,957	278,748	-14,030	-21,681
Energy and Water, Function 050	11,980	11,685	12,132	11,901	152	216
Commerce, Justice, State and Judiciary	234	227	487	466	253	239
Transportation	207	225	203	186	-4	-39
Veterans Affairs, HUD, and Independent Agencies	335	336	322	329	-13	-7
Less Designated Emergencies and Desert Shield/Desert Storm amounts	-10,356	-17,135	—	-5,522	10,356	11,613
Total Defense Discretionary	**284,385**	**295,767**	**281,101**	**286,107**	**-3,284**	**-9,660**
Total Discretionary	**509,298**	**530,583**	**506,176**	**530,870**	**-3,122**	**287**

[1] FY 1992 amounts include supplemental and rescissions submitted subsequent to the FY 1992 Budget.

Table 2–8. FEDERAL EMPLOYMENT IN THE EXECUTIVE BRANCH[1]

(Full-Time Equivalent Employment)

Agency	Fiscal Year			
	1991 actual	1992 estimate	1993 estimate	Change: 1992 to 1993
Civilian Cabinet Agencies:				
Agriculture	110,316	111,882	111,021	-861
Commerce	38,988	35,594	35,682	88
Education	4,630	4,927	5,032	105
Energy	17,790	19,950	19,950	—
Health and Human Services	121,121	125,784	125,704	-80
Housing and Urban Development	13,601	14,331	13,837	-494
Interior	72,346	74,900	74,000	-900
Justice	84,073	94,286	97,958	3,672
Labor	17,720	18,241	18,265	24
State	25,409	25,895	26,012	117
Transportation	66,010	70,134	70,212	78
Treasury	160,192	162,949	161,984	-965
Veterans Affairs	217,665	220,641	221,818	1,177
Other agencies (excluding FDIC and Postal Service):				
Agency For International Development	4,347	4,562	4,454	-108
Corps of Engineers	27,241	27,725	27,444	-281
Environmental Protection Agency	16,323	17,622	17,917	295
General Services Administration	19,704	20,013	19,858	-155
National Aeronautics and Space Administration	24,149	24,737	24,947	210
Nuclear Regulatory Commission	3,300	3,335	3,377	42
Office of Personnel Management	5,762	6,156	6,156	—
Panama Canal Commission	8,551	8,603	8,603	—
Small Business Administration	4,887	4,697	4,637	-60
Tennessee Valley Authority	22,273	25,000	23,000	-2,000
United States Information Agency	8,226	8,543	8,679	136
All other agencies[2]	38,125	40,453	40,413	-40
Subtotal, Civilian employment (excluding FDIC and RTC)	**1,132,749**	**1,170,960**	**1,170,960**	—
Federal Deposit Insurance Corporation and Resolution Trust Corporation	12,130	16,300	16,969	669
Defense—military functions[3]	969,059	938,669	897,772	-40,897
Total, Civilian employment in the executive branch	**2,113,938**	**2,125,929**	**2,085,701**	**-40,228**
Military (uniformed personnel):				
Defense	2,125,731	1,929,870	1,807,506	-122,364
Coast Guard (Department of Transportation)	37,653	38,920	39,417	497
Total, uniformed personnel	**2,163,384**	**1,968,790**	**1,846,923**	**-121,867**
Grand total, executive branch employment	**4,277,322**	**4,094,719**	**3,932,624**	**-162,095**

[1] Excludes developmental positions under the Worker-Trainee Opportunity Program; participants in the Cooperative Education Program; disadvantaged and part-time workers under such Office of Personnel Management programs as Summer Aides, stay-in-school, and junior fellowship; and certain statutory exemptions. Totals do not include Postal Service Employment of 757,798 in 1993—down 6,670.

[2] Includes 108 FTE's as a contingency allowance in 1993.

[3] By law (10 U.S.C., Chapter 4, section 140b), the Department of Defense is exempt from full-time equivalent employment controls. Data shown are estimated.

Table 2–9. ECONOMIC PROJECTIONS ASSUMING PRESIDENT'S PROGRAM[1]

(Calendar years; dollar amounts in billions)

	Actual 1990	Projections						
		1991	1992	1993	1994	1995	1996	1997
Gross Domestic Product (GDP):								
Levels, dollar amounts in billions:								
Current dollars	5,514	5,675	5,926	6,307	6,712	7,141	7,589	8,054
Constant (1987) dollars	4,885	4,848	4,919	5,066	5,218	5,374	5,532	5,689
Implicit price deflator (1987 = 100), annual average	112.9	117.1	120.5	124.5	128.6	132.9	137.2	141.6
Percent change, fourth quarter over fourth quarter:								
Current dollars	4.1	3.5	5.4	6.5	6.4	6.4	6.2	6.1
Constant (1987) dollars	–0.1	0.2	2.2	3.0	3.0	3.0	2.9	2.8
Implicit price deflator (1987 = 100)	4.2	3.3	3.2	3.4	3.3	3.3	3.2	3.2
Percent change, year over year:								
Current dollars	5.1	2.9	4.4	6.4	6.4	6.4	6.3	6.1
Constant (1987) dollars	1.0	–0.8	1.5	3.0	3.0	3.0	2.9	2.8
Implicit price deflator (1987 = 100)	4.1	3.7	2.9	3.3	3.3	3.3	3.2	3.2
Gross National Product (GNP):								
Levels, dollar amounts in billions:								
Current dollars	5,524	5,689	5,938	6,319	6,726	7,156	7,604	8,070
Constant (1987) dollars	4,895	4,860	4,929	5,076	5,228	5,385	5,544	5,701
Implicit price deflator (1987 = 100), annual average	112.9	117.1	120.5	124.5	128.6	132.9	137.2	141.6
Incomes, billions of current dollars:								
Personal income	4,680	4,832	5,037	5,378	5,712	6,084	6,458	6,854
Wages and salaries	2,739	2,810	2,943	3,134	3,335	3,548	3,771	4,002
Corporate profits before tax	332	313	341	423	456	493	524	556
Consumer Price Index (all urban):[2]								
Level (1982–84 = 100), annual average	130.7	136.2	140.2	144.8	149.4	154.2	159.2	164.1
Percent change, Q4/Q4	6.2	2.9	3.1	3.3	3.2	3.2	3.2	3.1
Percent change, year/year	5.4	4.2	3.0	3.3	3.2	3.2	3.2	3.1
Unemployment rate, civilian, percent:[3]								
Fourth quarter level	5.9	6.9	6.8	6.4	6.0	5.7	5.3	5.3
Annual average	5.5	6.7	6.9	6.5	6.1	5.8	5.4	5.3
Federal pay raises, January, percent	3.6	4.1	4.2	3.7	4.7	4.7	4.5	3.5
Interest rates, percent:								
91-day Treasury bills[4]	7.5	5.4	4.1	4.9	5.3	5.3	5.2	5.1
10-year Treasury notes	8.6	7.9	7.0	6.9	6.7	6.6	6.6	6.6

[1] Based on information available as of January 10, 1992. These projections differ slightly from those of early December, which were used to prepare the detailed budget estimates (see Appendix One, Chapter 8, "Explanation of Estimates").
[2] CPI for all urban consumers. Two versions of the CPI are now published. The index shown here is that currently used, as required by law, in calculating automatic adjustments to individual income tax brackets.
[3] Percent of civilian labor force, excluding armed forces residing in the U.S.
[4] Average rate on new issues within period.

OFFICE OF THE VICE PRESIDENT

SCHEDULE OF THE VICE PRESIDENT

For

NEW YORK, NEW YORK

JULY 7, 1992

OFFICE OF THE VICE PRESIDENT

WASHINGTON

TRIP OF THE VICE PRESIDENT

TO

NEW YORK, NEW YORK

TUESDAY, JULY 7, 1992

EVENTS:

1) Travel to New York, New York
2) One-On-One Television Interview with Marsha Kramer, WCBS-TV, Channel 2 (CBS)
3) One-On-One Television Interview with Ralph Penza, WCBS-TV, Channel 4 (NBC)
4) One-On-One Television Interview with Pat Dawson, WABC-TV, Channel 4 (ABC)
5) Bush/Quayle '92 Fundraising Roundtable
6) Team New York Meeting
7) Victory '92 Major Donor Photo Opportunity
8) Victory '92 Luncheon
9) Press Availability
10) Live Radio Interview with Rush Limbaugh, WABC-TV
11) Meeting with Representatives of William J. Duncan P.A.L. Center
12) Visit William J. Duncan P.A.L. Center
13) Travel to Andrews Air Force Base

DRESS: Business Attire

WEATHER: Partly Cloudy
Low 80's

CONTACTS:

Office of Vice Presidential Advance - 202/456-7935
CRAIG D. WHITNEY
TRICIA AVERY

CONTACT NUMBERS:

New York Staff Office: 212/319-1443
New York Facsimile: 212/319-1448

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Subseries: Subject Files
WHORM Cat.:
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P-2/P-5 Review Case #:		**Disposition Date:**	
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(b)(8) Release would disclose information concerning the regulation of financial institutions
(b)(9) Release would disclose geological or geophysical information concerning wells

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PRM. Removed as a personal record misfile

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

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

NEW YORK	ADVANCE
JEFF ROGOFF	LEAD
CAL SMITH	PRESS
CAROLYN BERNSTEIN	SITE
JULEANNA GLOVER	SITE
(b) (7)(C), (b) (7)(F)	USSS
LARRY WELCH	WHCA
DAVE CASMUS	MILITARY AIDE
TRICIA AVERY	TRIP COORDINATOR

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. List	Telephone List for the Vice President's Visit to New York City; redactions. (1 pp.)	07/05/92	(b)(7)(c), (b)(7)(f)	

Collection:

Record Group: Quayle Vice Presidential Records
Office: Deputy Chief of Staff's Office
Series: Porter, Richard, Files
Subseries: Subject Files
WHORM Cat.:
File Location: New York July 7, 1992

Date Closed:	8/12/2025	**OA/ID Number:**	21803-004
FOIA/SYS Case #:	2025-0878-F	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

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

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

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
C(2) Closed by statute or by the agency which originated the information
C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
PRM. Removed as a personal record misfile

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

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

051300 JUL 1992
FINAL

TELEPHONE LIST FOR THE VICE PRESIDENT'S VISIT TO
New York City, NY/07 Jul 1992

Marine Air Terminal			(718)476-5115	9:40-9:50 AM 4:15-4:25 PM
AF-II				(718)476-1888
VP HOLDING ROOM				(718)476-1161
USSS SECURITY ROOM				(718)651-2717
USSS NY Field Office			212-466-4400	
USSS COMMAND POST				(212)432-0533
The Plaza Hotel			(212)759-3000	
USSS LEAD	(b) (7)(C), (b) (7)(F)		RM 241	(212)319-1708
USSS ID	(b) (7)(C), (b) (7)(F)		RM 226	(212)319-1707
STAFF OFFICE			RM 236	(212)319-1443
Admin FAX Line				(212)319-1448
Press Credentialing				(212)319-1702
STAFF ADVANCE	(ROGOFF)		RM 234	(212)319-1443
WHCA LEAD	(WELCH)		RM 232	(212)319-1705
Sheraton Hotel and Towers			(212)581-1000	10:50 AM-1:45 PM
VP HOLDING ROOM				(212)767-0052
SENIOR STAFF HOLDING ROOM				(212)767-0053
STAFF HOLDING ROOM				(212)767-0054
USSS SECURITY ROOM				(212)767-0057
WABC/Two Penn Plaza			(212)613-3800	1:50-2:30 PM
VP HOLDING ROOM				(212)594-5201
SENIOR STAFF HOLDING ROOM				(212)594-5202
STAFF HOLDING ROOM				(212)594-5203
USSS SECURITY ROOM				(212)594-5204

Police Athletic League (212)265-7933 2:40-3:35 PM

VP HOLDING ROOM	(212)767-0050
SENIOR STAFF HOLDING ROOM	(212)767-0051
STAFF HOLDING ROOM	(212)767-0055
USSS SECURITY ROOM	(212)767-0056

CELLULAR SERVICE: To reach one of the following cellular telephones Dial (212)301-7626, and then:

VP CHIEF OF STAFF MOTORCADE CAR		(202)494-8644
VP CHIEF OF STAFF	(KRISTOL)	(202)494-9867
VP PERSONAL AIDE	(FLEENER)	(202)494-9799
VP MIL AIDE	(PANDOLFE)	(301)509-9512
VP MIL AIDE	(CASMUS)	(301)580-8035
WHCA LEAD	(WELCH)	(202)494-9826

SPECIAL INSTRUCTIONS FOR TRIP SITE CELLULAR USERS: Your telephone has been activated for use in the local cellular network. Before using your personal cellular telephone, please ensure the internal program is set on SCAN (B). A telephone credit card IS NOT required to complete long distance calls.

DIALING INSTRUCTIONS:

TO REACH THE WHITE HOUSE DIAL:	1+(202)757-5000
TO DIAL LONG DISTANCE--DIAL:	1+(AREACODE)+NUMBER

DETAILED SCHEDULE

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Schedule	Re: Trip of the Vice President to New York City; redactions. (7 pp.)	07/06/92	(b)(7)(e), (b)(7)(f)	

Collection:

Record Group: Quayle Vice Presidential Records
Office: Deputy Chief of Staff's Office
Series: Porter, Richard, Files
Subseries: Subject Files
WHORM Cat.:
File Location: New York July 7, 1992

Date Closed:	8/12/2025	**OA/ID Number:**	21803-004
FOIA/SYS Case #:	2025-0878-F	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
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Presidential Records Act - [44 U.S.C. 2204(a)]

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GUEST AND STAFF INSTRUCTIONS

6:50 a.m. Staff Van departs Old Executive Office Building en route Andrews Air Force Base. Please notify Johnnie Loftin at x6506 if you need transportation.

7:25 a.m. Those traveling directly to Andrews Air Force Base should be at the Distinguished Visitor's Lounge, Base Operations.

7:40 a.m. Those listed below should proceed to Marine Two for boarding.

MARINE TWO MANIFEST

(b) (7)(E), (b) (7)(F)

7:50 a.m. MARINE TWO departs Residence en route Andrews Air Force Base.

Flight Time: 10 mins.

8:00 a.m. MARINE TWO arrives Andrews Air Force Base.

CLOSED PRESS COVERAGE
CLOSED ARRIVAL/DEPARTURE

THE VICE PRESIDENT deplanes and proceeds to Air Force Two for boarding.

7/06/92 6:00 pm

GUEST AND STAFF INSTRUCTIONS

Proceed to Air Force Two
for boarding.

AIR FORCE TWO MANIFEST

(b) (7)(E), (b) (7)(F)

Guests Aboard

(b) (7)(E), (b) (7)(F)

8:10 a.m. AIR FORCE TWO departs Andrews Air Force Base en route New York, New York.

Flight Time: 50 mins.
Time Change: None
Food Service: Continental Breakfast

9:00 a.m. AIR FORCE TWO arrives Port Authority Ramp, Marine Air Terminal, LaGuardia International Airport.

OPEN PRESS COVERAGE
CLOSED ARRIVAL/DEPARTURE

7/06/92 6:00 pm

THE VICE PRESIDENT deplanes and proceeds to motorcade for boarding.

Met By:

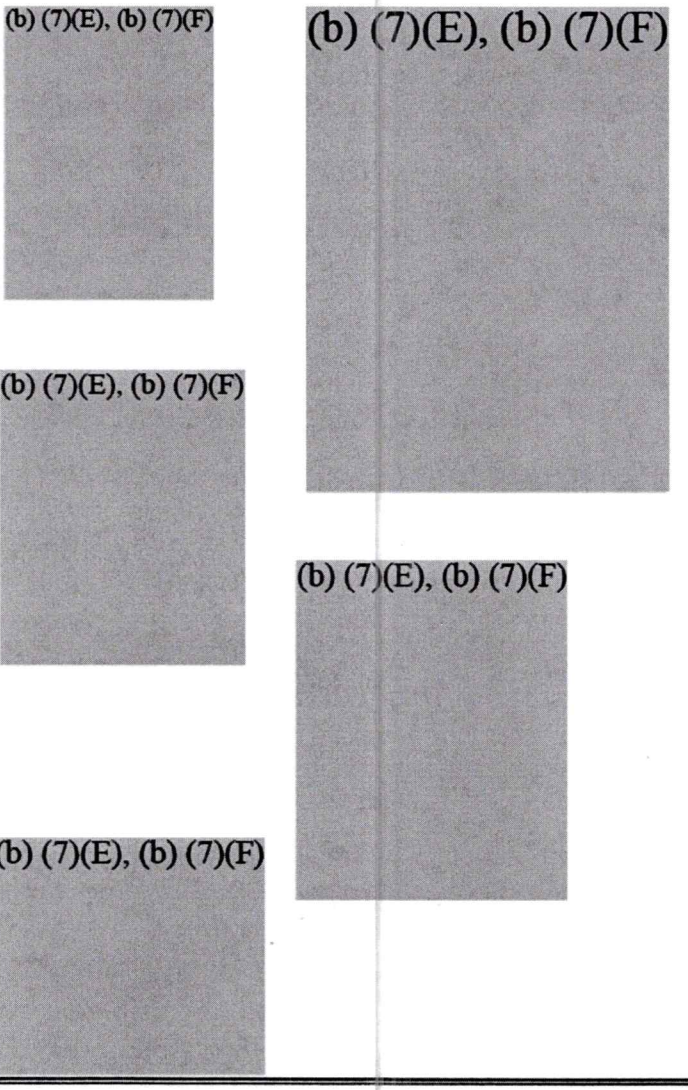
Mr. Mike Long, Chairman, Conservative Party of New York

OPEN PRESS COVERAGE

GUEST AND STAFF INSTRUCTIONS

Proceed to motorcade for boarding.

MOTORCADE ASSIGNMENTS



9:10 a.m. THE VICE PRESIDENT departs LaGuardia International Airport en route Sheraton New York Hotel and Towers, Manhattan.

Drive Time: 30 mins.

9:40 a.m. THE VICE PRESIDENT arrives Sheraton New York Hotel and Towers and proceeds inside to Royal B Room.

Met By:

Mr. Jurgen Geisbert, General Manager,
Sheraton New York Hotel and Towers
Mr. Paul Burke, Managing Director,
Sheraton New York Hotel and Towers

OFFICIAL PHOTOGRAPHER ONLY

GUEST AND STAFF INSTRUCTIONS

Guests and Staff will be escorted to Holding Room.

EVENT: ONE-ON-ONE TELEVISION INTERVIEW WITH MARSHA KRAMER
WCBS-TV, CHANNEL 2 (CBS)
* Taped Television Coverage
* 2 Attendees

9:50 a.m. THE VICE PRESIDENT arrives Royal B Room and participates in Interview.

9:55 a.m. THE VICE PRESIDENT concludes Interview and remains seated.

EVENT: ONE-ON-ONE TELEVISION INTERVIEW WITH RALPH PENZA,
WNBC-TV, CHANNEL 4 (NBC)
* Taped Television Coverage
* 2 Attendees

10:00 a.m. THE VICE PRESIDENT begins Interview.

10:05 a.m. THE VICE PRESIDENT concludes Interview and remains seated.

EVENT: ONE-ON-ONE TELEVISION INTERVIEW WITH PAT DAWSON, WABC-TV, CHANNEL 7 (ABC)
* Taped Television Coverage
* 2 Attendees

10:10 a.m. THE VICE PRESIDENT begins Interview.

10:15 a.m. THE VICE PRESIDENT concludes Interview and proceeds to Suite 4631.

Met en Route By:

Mr. Neil Levin, Vice President,
Goldman, Sachs and Company and
Bush/Quayle '92 Finance Committee

OFFICIAL PHOTOGRAPHER ONLY

EVENT: BUSH/QUAYLE '92 FUNDRAISING ROUNDTABLE
* Official Photographer Only
* 20 Attendees
* Photo Opportunity

10:20 a.m. THE VICE PRESIDENT, accompanied by Mr. Levin, arrives Suite 4631 and participates in Photo Opportunity.

10:30 a.m. THE VICE PRESIDENT concludes Photo Opportunity and participates in Roundtable.

10:50 a.m. THE VICE PRESIDENT concludes Roundtable and proceeds to New York Penthouse Suite.

EVENT: TEAM NEW YORK MEETING
* Official Photographer Only
* 15 Attendees
* Photo Opportunity

11:00 a.m. THE VICE PRESIDENT arrives New York Penthouse Suite and participates in Photo Opportunity.

11:10 a.m. THE VICE PRESIDENT concludes Photo Opportunity and participates in Meeting.

11:40 a.m. THE VICE PRESIDENT concludes Meeting and proceeds, via elevator, to Princess Ballroom, 2nd Floor.

Met en Route By:

Mr. William Powers, Chairman, Republican Party of New York
Mr. Parker Montgomery, Chairman, Team New York

OFFICIAL PHOTOGRAPHER ONLY

EVENT: VICTORY '92 MAJOR DONOR PHOTO OPPORTUNITY
* Official Photographer Only
* 50 Attendees

11:45 a.m. THE VICE PRESIDENT, accompanied by Mr. Montgomery, arrives Princess Ballroom and participates in Photo Opportunity.

12:00 noon THE VICE PRESIDENT concludes Photo Opportunity and proceeds to Holding Room.

12:05 p.m. THE VICE PRESIDENT arrives Holding Room.

WASHINGTON WORK/PRIVATE TIME: 25 mins.

12:30 p.m. THE VICE PRESIDENT departs Holding Room and proceeds to off-stage announce position, Imperial Ballroom.

EVENT: VICTORY '92 LUNCHEON
* Open Press Coverage
* 300 Attendees
* Ruffles and Flourishes
* Off-Stage Announcement
* Hail Columbia
* Remarks
* Ropeline

12:35 p.m. THE VICE PRESIDENT proceeds onto stage and is seated.

Pledge of Allegiance by The Honorable Clarence Rappleyea, Minority Leader, New York State Assembly (R-122 A.D.)

Mr. William Powers, Chairman, Republican Party of New York, makes brief remarks and introduces Senator Alfonse D'Amato (R-NY)

Senator D'Amato makes brief remarks and introduces THE VICE PRESIDENT.

12:40 p.m. THE VICE PRESIDENT proceeds to podium and begins Remarks.

12:55 p.m. THE VICE PRESIDENT concludes Remarks and proceeds, via Ropeline, to Holding Room.

1:00 p.m. THE VICE PRESIDENT arrives Holding Room.

WASHINGTON WORK/PRIVATE TIME: 10 mins.

1:10 p.m. THE VICE PRESIDENT departs Holding Room and proceeds to Royal B Room.

EVENT: PRESS AVAILABILITY
* Open Press Coverage

1:15 p.m. THE VICE PRESIDENT arrives Royal B Room and participates in Press Availability.

1:30 p.m. THE VICE PRESIDENT concludes Press Availability and proceeds to motorcade for boarding.

GUEST AND STAFF INSTRUCTIONS

Proceed to motorcade for boarding.

MOTORCADE ASSIGNMENTS

Same as on arrival with the following exceptions:

ADD:

(b) (7)(E), (b) (7)(F)

1:35 p.m. THE VICE PRESIDENT departs Sheraton New York Hotel and Towers en route 2 Penn Plaza.

Drive Time: 15 mins.

1:50 p.m. THE VICE PRESIDENT arrives 2 Penn Plaza and proceeds inside to WABC Radio Station.

Met By:

Mr. John Mainelli, Program Director, WABC Radio

OFFICIAL PHOTOGRAPHER ONLY

GUEST AND STAFF INSTRUCTIONS

Guests and Staff will be escorted to Holding Room.

EVENT: LIVE RADIO INTERVIEW WITH RUSH LIMBAUGH, WABC-AM

* Live Radio Coverage
* 2 Attendees

2:00 p.m. THE VICE PRESIDENT arrives Station and participates in Interview.

2:20 p.m. THE VICE PRESIDENT concludes Interview and proceeds to motorcade for boarding.

GUEST AND STAFF INSTRUCTIONS

Proceed to motorcade for boarding.

MOTORCADE ASSIGNMENTS

Same as on arrival.

2:30 p.m. THE VICE PRESIDENT departs Penn Plaza en route William J. Duncan P.A.L. Center.

Drive Time: 10 mins.

2:40 p.m. THE VICE PRESIDENT arrives William J. Duncan P.A.L. Center and proceeds inside to Snack Room.

Met By:

Mr. John Ryan, Executive Director,
New York City Police Athletic League
Ms. Allison Rowe, Director, William J.
Duncan P.A.L. Center

OFFICIAL PHOTOGRAPHER ONLY

GUEST AND STAFF INSTRUCTIONS

Guests and Staff will be escorted to Holding Room.

EVENT: MEETING WITH REPRESENTATIVES OF WILLIAM J. DUNCAN P.A.L. CENTER

* Official Photographer Only
* 6 Attendees

2:50 p.m. THE VICE PRESIDENT, accompanied by Mr. Ryan and Ms. Rowe, arrives Snack Room and participates in Meeting.

3:05 p.m. THE VICE PRESIDENT, accompanied by Ms. Rowe, concludes Meeting and proceeds to Arts and Craft Room.

EVENT: VISIT WILLIAM J. DUNCAN P.A.L. CENTER
* Open Press Coverage
* 150 Attendees

THE VICE PRESIDENT, accompanied by Ms. Rowe, arrives Arts and Craft Room and participates in Visit.

* Arts and Crafts Room
* Recreation Room
* Gymnasium

3:20 p.m. THE VICE PRESIDENT concludes Visit and proceeds to motorcade for boarding.

GUEST AND STAFF INSTRUCTIONS

Proceed to motorcade for boarding.

MOTORCADE ASSIGNMENTS

(b) (7)(E), (b) (7)(F)

(b) (7)(C), (b) (7)(F)

(b) (7)(E), (b) (7)(F)

(b) (7)(E), (b) (7)(F)

(b) (7)(E), (b) (7)(F)

3:35 p.m. THE VICE PRESIDENT departs William J. Duncan P.A.L. Center en route LaGuardia International Airport.

Drive Time: 45 mins.

4:20 p.m. THE VICE PRESIDENT arrives Port Authority Ramp, LaGuardia International Airport and proceeds to motorcade for boarding.

OPEN PRESS COVERAGE
CLOSED ARRIVAL/DEPARTURE

GUEST AND STAFF INSTRUCTIONS

Proceed to Air Force Two for boarding.

AIR FORCE TWO MANIFEST

(b) (7)(E), (b) (7)(F)

(b) (7)(E), (b) (7)(F)

Guests Aboard

(b) (7)(E), (b) (7)(F)

4:30 p.m. AIR FORCE TWO departs New York, New York en route Andrews Air Force Base.

Flight Time: 55 mins.
Time Change: None
Food Service: Snacks

5:25 p.m. AIR FORCE TWO arrives Andrews Air Force Base.

CLOSED PRESS COVERAGE
CLOSED ARRIVAL/DEPARTURE

GUEST AND STAFF INSTRUCTIONS

Proceed to Marine Two for boarding.

MARINE TWO MANIFEST

(b) (7)(E), (b) (7)(F)

7/06/92 6:00 pm

5:35 p.m. MARINE TWO departs Andrews Air Force Base en route Residence.

Flight Time: 10 mins.

5:45 p.m. MARINE TWO arrives Residence.

THE VICE PRESIDENT deplanes and proceeds inside.