

Originally Processed With FOIA(s):
2012-2320-F

FOIA Number:
2012-2320-F

FOIA MARKER

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

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Chief of Staff, White House Office of
Series: Skinner, Sam, Files
Subseries:

OA/ID Number: 29420
Folder ID Number: 29420-002

Folder Title:
[Binder]: The Bush Administration Record: President's Copy [2]

Stack:

G

Row:

0

Section:

0

Shelf:

0

Position:

0

THE BUSH ADMINISTRATION RECORD ON

THE AMERICANS WITH DISABILITIES ACT

"Disabled Americans must become full partners in America's opportunity society."

-- President George Bush
February 9, 1989

The President signed the Americans with Disabilities Act of 1990 on July 26, 1990. The Act is the broadest expansion of the Nation's civil rights laws since the Civil Rights Act of 1964. It opens the door of opportunity to the 43 million Americans who have some form of disability.

The legislation prohibits discrimination in employment, public services, public accommodations, and transportation, and provides for telecommunications relay services.

Background

The Americans with Disabilities Act began with the 1986 report of the National Council on Disability entitled "Toward Independence" which then-Vice President Bush accepted on behalf of the Administration. The Council proposed broad legislation to expand Federal civil rights laws to include persons with disabilities.

During the 1988 campaign, Vice President Bush expressed his support for legislation to extend to people with disabilities the same basic equal opportunities protections that are afforded to women and minorities.

The Administration renewed that commitment and supported such legislation in Congressional testimony by Attorney General Thornburgh on June 22, 1989. Negotiations between key legislators and the Administration led to an agreement announced by the White House on August 2, 1989.

The Legislation: Employment

The ADA prohibits discrimination against qualified persons with disabilities because of their or their associates' disability and requires employers to make reasonable accommodations for qualified applicants or employees, unless an undue hardship would result. The provisions apply to job application procedures; hiring, advancement, or discharge of employees;

employee compensation; job training; and other terms, conditions, and privileges of employment.

Employers with 25 or more employees are initially covered by the ADA. Two years after the law takes effect, the number drops to 15 or more. The employment provisions take effect twenty four months after the date of enactment.

The employment title will be enforced through cases brought before the Equal Employment Opportunity commission, suits brought by the Attorney General, or through private lawsuits.

Public Service

The ADA prohibits State and local governments from excluding qualified persons with disabilities from participation on or denying them the benefits of services, programs, or activities. Many State and local government activities are already covered by a similar prohibition in the Rehabilitation Act of 1973; the ADA covers all State and local governments and any department or instrumentality of a State or local government in their entirety.

The ADA requires every public entity which operates a fixed route bus system to purchase only new buses or rail vehicles that are readily accessible to and usable by individuals with disabilities. The ADA also requires public operators of fixed route bus systems to provide paratransit that offers a comparable level of service to that available to individuals without disabilities.

Intercity and commuter rail will be required to provide at least one passenger car per train within five years that is readily accessible to individuals with disabilities. Train stations are to be made accessible within thirty years, with the requirement for commuter, rapid, and light rail limited to key stations.

The public services requirements take effect 18 months after enactment; buses and rail vehicles ordered beginning one month after enactment must be accessible.

Enforcement will be through complaints lodged with the Department of Justice, Department of Transportation, or other government agency, as appropriate, or through private lawsuits.

Public Accommodations

The ADA broadly defines public accommodations and includes places of lodging, restaurants, theaters, concert halls, bakeries, grocery stores, clothing stores, shopping centers, laundromats, banks, barber shops, offices of accountants,

lawyers, and health care providers, museums, libraries, zoos, homeless shelters, adoption agencies, and golf courses. Private clubs and religious organizations are exempt.

Public accommodations are prohibited from discriminating on the basis of disability. The prohibition extends to denying participation, offering disabled persons unequal or separate benefits, or would require accommodation of disabled persons in an integrated setting, unless an undue burden would result.

In addition, newly constructed public accommodations must be accessible. Elevators are required in buildings with three or more stories. All public accommodations would be required to remove architectural and communication barriers where removal is readily achievable.

Enforcement of the public accommodations provisions will be through suits brought by the Attorney General or through private lawsuits.

New over-the-road buses ordered on or after July 26, 1996 (July 26, 1997, for small companies), must be accessible. After completion of a study, the President may extend the deadline by one year, if appropriate.

The public accommodations provisions took effect on January 26, 1992.

Telecommunications

The ADA ensures equivalent telephone services for speech or hearing impaired persons by providing for telecommunications relay services where they are not already available. These services provide the ability for an individual who has a hearing or speech impairment and uses a telecommunications device for deaf persons (TDD) or similar terminal to communicate with a hearing individual who does not use such a device.

TDD or terminal users will dial the relay service; the relay service will in turn dial the non-TDD user and repeat the TDD user message aloud and type the response for the TDD user. The same service is available for voice telephone users who wish to call persons using TDDs. These provisions will be enforced by the states and the Federal Communications Commission.

The ADA also requires closed captioning of public service announcements produced or funded by the Federal Government.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

CIVIL JUSTICE REFORM

"Civil justice reform is absolutely essential to our country's well-being. . . . Americans understand that civil justice reform means growth, competitiveness, and jobs. That's why I feel so strongly about these recommendations."

-- President George Bush
October 23, 1991

The Bush Administration is strongly committed to major reform of America's civil justice system. The workings of that system affect all Americans. Unfortunately, virtually every participant knows that the costs of litigation -- in both time and money -- often outweigh the benefits. Excessive costs and unwarranted delays do nothing to help vindicate rights.

Since the rule of law is a foundation of our society, it is imperative that we reduce the costs and delay frequently associated with litigation. Too many cases are brought that should not have been, and too many cases drag on for years. So the President's Council on Competitiveness, chaired by Vice President Dan Quayle, authored the Agenda for Civil Justice Reform in America which proposed 50 specific reforms to reduce the costs and delays in the system, open the courthouse doors, and guarantee people their day in court.

None of the recommendations impairs any substantive rights; instead, they will help ensure that deserving victims actually receive their compensation earlier and at less cost.

Five areas are targeted for major reforms:

- . Discovery. The Administration's reforms will discourage overuse and abuse of discovery.
- . Punitive Damages. Our proposals restore fairness by placing appropriate limits on punitive damages, bifurcating trials, and requiring clear proof of wrongdoing.
- . Fairness Rule for Attorneys' Fees. We recommend mechanisms to make the prevailing party whole by making the loser pay the winner for his or her legal fees.
- . Expert Evidence. We must make certain that expert testimony is an objective aid to the court, not unfounded "junk science."
- . "Multi-Door Courthouse". This proposal to promote alternative dispute resolution affirms that citizens must have greater choice to elect an effective alternative to court adjudication.

Specific recommendations for reform include requiring disclosure of "core information" as part of the discovery process, penalizing abusive discovery practices, maintaining safeguards for trade secrets during litigation, requiring judges to set early trial dates, requiring expert testimony to be limited to "widely accepted" theories, and reform of the procedures in cases involving punitive damages.

Federal Reforms

The President has issued an Executive Order on Civil Justice Reform directing Federal litigators to implement immediately the Agenda for Civil Justice Reform in America recommendations in civil litigation involving the United States Government. The President's directive seeks to produce a more fair American legal system by making Government attorneys a model for parties in the private sector. The Executive Order will be a catalyst for reform by the Congress as well. The Bush Administration has transmitted the "Access to Justice Act of 1992" calling for enactment of those reforms that can only be accomplished through changing the law. We have also asked the Supreme Court to revise the rules of procedure and evidence to help make the system more rational and efficient.

State Reforms

Many reforms proposed for the Federal system may be equally applicable to the State court systems. As a result, the Administration has published the Civil Justice Reform Model State Amendments and a Model State Punitive Damages Act to assist with reforms in the State systems. Reform at the State level could have a dramatic effect, since most litigation occurs in State, not Federal, courts.

Private Sector Activities

The White House has received thousands of letters from individuals, small businessmen, corporations, and public interest groups pointing out problems with our current civil justice system. This broad-based showing of the need for civil justice reform is a resounding endorsement of the Administration's initiative. And just as the Executive Order is effective guidance for Federal attorneys, many private parties are finding that they can use the recommendations as guidelines in resolving disputes as well.

The Bush Administration is committed to the fair, efficient, and early resolution of disputes. We have called upon every branch of government at every level to join us in this crucial battle to help reduce the burdens of excessive and needless legislation.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

CIVIL RIGHTS

"Discrimination, whether on the basis of race, national origin, sex, religion or disability, is worse than wrong. It's an evil that strikes at the very heart of the American ideal."

-- President George Bush
November 21, 1991

Opportunity

The Bush Administration's approach to civil rights is based on two fundamental goals: equal opportunity and enhanced opportunity. The Administration's accomplishments include successes on several fronts: existing laws have been vigorously enforced, new legislation has been sought where appropriate, and several new milestones have been reached in the long quest to ensure that all Americans can achieve everything that their ability and character allow.

The Americans with Disabilities Act of 1990

The culmination of several years of effort, the ADA is generally recognized as the most significant civil rights legislation in the past quarter century. This landmark statute, for which President Bush began working long before he was elected President, promises to open up all aspects of American life to individuals with disabilities: employment opportunities, government services, public accommodations, transportation, and telecommunications.

The ADA is the world's first comprehensive declaration of equality for people with disabilities. Its passage has made the United States the international leader on this important human rights issue. It ensures that persons with disabilities enjoy basic guarantees that most of us take for granted: independence, freedom of choice, control of their lives, and the opportunity to blend fully and equally into the rich mosaic of the American mainstream.

With major, innovative legislation like the ADA, implementation by the Executive branch can be as important as the statute itself. The Bush Administration has moved quickly and decisively to carry out a variety of new programs that will fulfill the promises of the statute.

The Civil Rights Act of 1991

President Bush has consistently supported efforts to strengthen legal protections against employment discrimination, while resisting counterproductive proposals that would have led to quotas and unfair preferences.

In October 1990, the President announced with regret that he was compelled to veto a defective civil rights bill that would have harmed rather than helped the cause of civil rights. After a year of hard work by the Administration and congressional leaders, a new bill was devised. As the President noted when signing it into law on November 21, 1991, "[T]his bill will not encourage quotas or racial preferences because this bill will not create lawsuits on the basis of numbers alone."

The new statute codifies the doctrine of disparate impact, thereby assuring that American workers are protected against employment policies with discriminatory effects as well as against those adopted with an intent to discriminate. At the same time, the new law preserves the major evidentiary safeguards devised by the Supreme Court to prevent this doctrine from inducing employers to adopt quotas or other unfair preferences.

In addition to numerous other provisions that strengthen our employment discrimination laws, the Civil Rights Act of 1991 expands both the right to challenge discriminatory seniority systems and the statutory prohibition against racial discrimination in connection with employment contracts. The new law also creates, for the first time, meaningful monetary remedies for all forms of workplace harassment outlawed under Title VII of the Civil Rights Act of 1964.

Reflecting the President's belief in the desirability of solving problems outside the courtroom, the new civil rights act contains several significant innovations. Along with strong new remedies for the victims of discrimination and harassment, for example, the statute has provisions capping damages that are an important model to be followed in tort reform. The new law also specifically encourages mediation and arbitration between parties before the last resort of litigation. As the President pointed out: "Our goal and our promise is harmony -- a return to civility and brotherhood -- as we build a better America for ourselves and our children."

Hate Crime Statistics Act

The Bush Administration has vigorously prosecuted Federal violations involving hate crimes, and will continue to do so. Thanks to the Hate Crime Statistics Act, which the President signed into law on April 23, 1990, the Administration will be able to determine whether new enforcement measures are needed to bring hatemongers out of hiding and into the light of justice.

At the same time, by collecting and publicizing this information, we can shore up our first line of defense against the erosion of civil rights by alerting the cops on the beat. As President Bush noted when signing this bill: "For America to continue to be a good place for any of us to live, it must be a good place for all of us to live."

Strong Enforcement of Civil Rights Laws

The Administration has vigorously pursued enforcement of civil rights laws. For instance, 35 cases of hate crimes were prosecuted in FY 1990 and 30 in FY 1991, with conviction rates of 100% and 98% respectively. The Justice Department received over 600 redistricting plans under the Voting Rights Act in FY 1991. Payments continued to Japanese-Americans interned during World War II under the Civil Liberties Amendments Act of 1988. In the Departments:

- . By early 1991, HUD had resolved nearly 12,000 of 16,000 outstanding fair housing cases.
- . In 1990, Education received and resolved more civil rights complaints than in any previous year in its history -- and in record time.
- . The largest settlements in the history of Labor's Federal Contract Compliance cases were achieved in this Administration. A single case involving employment discrimination against women and minorities resulted in a payment of \$14 million. Another case resulted in a back pay settlement of \$3.5 million for approximately 1000 women who were discriminated against in hiring.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

IMMIGRATION

"[I]mmigrants have enriched the United States beyond measure they have shared eagerly in the hard work of freedom, helping to defend the ideals of liberty and self-government and helping to build our churches, schools, factories, farms, and railroads."

-- President Bush
December 27, 1991

On November 29, 1990, the President signed into the law the most comprehensive reform of our immigration laws in 66 years -- the Immigration Act of 1990. The Act provides for a significant increase in the total number of immigrants permitted to enter the United States each year, promotes family reunification, and encourages immigration of skilled persons.

The Administration's Immigration Policy

The President believes that our immigration policies should serve two purposes: to help reunite families, thereby reinforcing the family as the essential unit of society, and to encourage the admission of skilled immigrants. Such talented workers improve the competitiveness of our workforce and help relieve labor shortages in key technical areas. In order to prevent illegal immigration, we must ensure that our immigration laws are fairly and effectively enforced.

Reforming Immigration

The Immigration Act of 1990 represents a comprehensive reform of our laws relating to legal immigration.

- . The Act provides that total immigration may increase from 540,000 in 1989 to 700,000 per year from 1991-1995. After 1995, total immigration levels will be at least 675,000.
- . The Act more than doubles annual employment-based immigration, from 54,000 to 140,000 per year. New criteria help to increase the average skill levels of these immigrants and encourage the immigration of exceptionally talented people, such as scientists, engineers, and educators.
- . The Act continues very generous treatment immigration treatment for immediate family members.

- . Forty thousand visas annually through 1994 are allocated specifically to broaden the diversity of our immigrant pool. This number will rise to 55,000 in 1995.
- . Several arbitrary immigration exclusion grounds were eliminated, allowing increased immigration from the former Soviet bloc and other newly democratized countries.

Apprehending and Deporting Criminal Aliens

The Administration is taking a number of measures that should enable Federal, State, and local law enforcement officials more effectively to identify, apprehend, detain, and deport aliens who commit criminal acts.

- . The Immigration and Naturalization Service (INS) will add 95 criminal investigators to expand law enforcement. Of these, 22 agents will be assigned to Organized Crime Drug Enforcement Task Forces. The total budget for INS will increase by \$174 million over the 1992 level of \$1.3 billion.
- . To assist Federal, State, and local law enforcement agencies to identify quickly illegal aliens arrested for criminal activity, the INS will establish a National Operations Support Center to provide a centralized database for storing criminal alien information.
- . To provide for expedited deportation proceedings against criminal aliens, the INS and the Executive Office of Immigration Review (EOIR) have implemented an Institutional Hearing Program. The program enables deportation proceedings to begin for aggravated felons and other criminal aliens while they are still serving their sentences. In many cases, the alien can be immediately deported upon completion of the sentence.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

THE RIGHT TO LIFE

"As I look back . . . I am encouraged by the progress which has taken place. Attempts by Congress to expand funding, Federal funding for abortions have been defeated, and the Supreme Court has taken welcome steps toward reversing its Roe v. Wade decision."

-- President George Bush
January 22, 1991

"[A]bortion deals with the lives of two human beings, mother and child."

-- January 23, 1989

While the United States boasts a long and honorable tradition of respect for human life and the rights of individuals, one key issue related to the sanctity of life is a divisive one in America today: the issue of abortion. Throughout his time in office, President Bush has remained a steadfast defender of the unborn person's right to life. He recognizes that persons of goodwill may disagree on this issue, one of the most complex and difficult Americans face today.

The President's Position

The President has devoted much time and careful thought to this issue over the years and has not reached these decisions easily or lightly. He is opposed to abortion except when the life of the mother is threatened or when there is rape or incest. In addition, he opposes the use of Federal funds to pay for abortion except when the life of the mother is threatened.

Supporting the Hyde Amendment

Abortion is a deeply emotional and very personal decision for all Americans. It is made even more difficult when the underlying issue is whether the government -- and ultimately the American taxpayer -- is asked to pay for abortions and under what circumstances. Since 1981, the Federal Government has determined that taxpayer funds should be used for abortion in only the most narrow of circumstances: where the life of the mother is endangered (the "Hyde Amendment").

President Bush has firmly resisted Congressional efforts to change the Hyde Amendment. He has vetoed five Congressional attempts to amend the Hyde Amendment or otherwise expand Federal support for abortion:

- . **HR 2990**, Labor, HHS, and Education, and Related Agencies Appropriations Act, FY 1990 (10/21/89)
- . **HR 3026**, District of Columbia Appropriations, 1990 (10/27/89)
- . **HR 3610**, District of Columbia Appropriations, 1990 (11/20/89)
- . **HR 2699**, District of Columbia Appropriations, 1992 (pocket veto effective midnight 8/17/91)
- . **HR 2707**, Labor, HHS, Education, and Related Agencies Appropriations, 1992 (11/19/91).

Congress has not overridden any of these vetoes, and acceptable language on abortion has been substituted in the final bills.

Other Federal Efforts

The President supports other Federal policies designed to discourage abortion:

- . The Defense Department prohibits abortions at U.S. military facilities, unless the life of the mother is endangered.
- . Current law prohibits U.S. Government contributions to international organizations involved with coercive abortion programs. To maintain this standard, the President vetoed **HR 2939**, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990. This bill would have repealed the Kemp-Kasten Amendment, which denies U.S. population assistance funds to any organization that supports or participates in the management of any program that includes coercive abortion or involuntary sterilization.
- . The President strongly supports international family planning programs which do not involve these objectionable activities.

Title X Regulations

HHS has promulgated regulations that prohibit the use of Federal family planning funds for abortion-related activities. President Bush vetoed HR 2707 on November 19, 1991, because it sought to prohibit implementation of these regulations. The President issued a Presidential Memorandum to Secretary Sullivan reaffirming that these regulations in no way inhibit with the confidentiality of the doctor/patient relationship. The Administration seeks to ensure both that the integrity of Title X as a pre-pregnancy family planning program is maintained and that women who are pregnant, or have a medical problem, are referred to providers who can ensure continuity of care. Nothing should prevent a woman from receiving complete medical information about her condition from a physician, and the Supreme Court specifically found that these Title X regulations in no way violate free speech rights.

Promoting Adoption

As the President has said, "there is a better way: the way of adoption, the way of life." The President has repeatedly called for America to turn away from abortion towards alternatives such as adoption. Our Nation has finally begun to dismantle legal, financial, and attitudinal barriers to adoption, and the Bush Administration is working with State and local governments to encourage adoption.

- . The Administration has proposed to restore and double to \$3000 the special needs adoption tax deduction, effective for adoptions on or after February 1, 1992.

But there is still much work to do. We must continue to promote public awareness of adoption and to find ways of bringing prospective parents together with the thousands of children who continue to wait. Finally, we must continue to offer encouragement to the courageous women who, despite the pressures of a crisis pregnancy, reject abortion and choose life for their unborn children.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

PROTECTING OLDER AMERICANS: SOCIAL SECURITY

To every American out there on Social Security, to every American supporting that system today, and to everyone counting on it when they retire: we made a promise to you -- and we are going to keep it.

-- President George Bush
January 31, 1990

Not Fixing What Isn't Broken

The Bush Administration has one guiding principle when it comes to Social Security: what isn't broken doesn't need fixing. The Social Security system is sound, and the best way to keep it sound is to leave it just the way it is.

More Americans than Ever Rely on Social Security

- When President Bush took office, 34.6 million Americans received Old Age and Survivors benefits and another 4.1 million received Disability Insurance benefits, for a total of 38.6 million Americans.
- Three years later, 36.1 million Americans receive Old Age and Survivors benefits and 4.5 million receive Disability Insurance benefits, for a total of 40.6 million Americans.

Benefits Have Risen

- Social Security beneficiaries have received full cost of living adjustments (COLAs), including 3.7% for 1992.
- Average benefits for retired workers have risen from \$537 to \$629 per month since President Bush took office.

Liberalizing the Earnings Test

If Social Security recipients aged 65 to 69 wish to supplement their benefits with earnings, they may earn only up to \$10,200 this calendar year before their Social Security benefits are reduced. Beyond this limit, each three dollars of earnings reduces benefits by one dollar. Presently, this earnings test falls most heavily on older Americans who do not have significant savings or income from pension plans and can seriously constrain their choices of employment.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

POINTS OF LIGHT

"From now on in America, any definition of a successful life must include service to others."

-- President George Bush

President Bush has placed voluntary community service -- the Points of Light movement -- at the top of the Nation's agenda. On taking office in January 1989, the President established the White House Office of National Service, the first office within the White House devoted exclusively to encouraging community service. Often called the "White House Points of Light Office," its mission has been to help the President develop and implement his community service strategy for the nation.

The Strategy

This strategy has three parts:

1. To change the Nation's attitudes about service and call every individual and institution in America to claim society's problems as their own.
2. To identify, enlarge, and multiply successful community service initiatives across the country.
3. To discover and develop new community service leaders within every institution in America.

Presidential Activities

Through a wide variety of leadership activities, the President has used the "bully pulpit" to foster the growth of the Points of Light movement. He has made more than 350 speeches and public statements, authored op-ed articles for major publications, taped public service announcements, sent written messages to hundreds of volunteer events, regularly visited individuals and groups engaged in community service, and participated in other events calling attention to community service.

- . **Daily Points of Light.** Each day, Monday through Saturday, the President honors an individual, group, or organization for an outstanding effort to solve a social problem through community service. By January 1992, well over 600 Daily Points of Light, who exemplify practical solutions to nearly every serious social problem, had been named. Daily Points of Light have come from all sectors of society -- families and individuals, schools, places of worship, clubs and neighborhood groups, businesses and labor unions, and other associations.

Addressing these Daily Points of Light gathered in Orlando, Florida, on September 30, 1991, the President called for "Communities of Light," where each school, business, place of worship, and group in a community would become a Point of Light.

The White House Office of National Service

Through the Office of National Service, the President calls on all leaders to pursue a nationwide strategy to engage every American in community service. He recognizes and honors individuals and organizations with the Daily Point of Light Award and the President's Annual Points of Light Awards and, through these awards, encourages others to replicate "what works." In addition, the Office helps support institutions that build and strengthen the movement, such as the Points of Light Foundation, the Commission on National and Community Service, and the ACTION agency. It also proposes policy initiatives that reduce barriers to voluntary service, such as the protection of volunteers from unwarranted liability.

The Points of Light Foundation

The President called for and serves as Honorary Chairman of this independent, nonprofit organization. Established in 1990, the Foundation's mission is to engage all Americans in direct and consequential community service aimed at solving serious social problems. Its work has five major areas of concentration:

- . Communications: national advertising campaigns and other means of calling Americans to engage in voluntary service.
- . Outreach: challenging business, education, and nonprofit leaders to greater and more effective engagement in community problem-solving.
- . Youth Engaged in Service (YES): encouraging young people to take part in solving the problems of their communities. President Bush called for this initiative in 1988.
- . Local Points of Light Networks: community service clearinghouses, built from the nearly 400 local volunteer centers with which the Foundation is affiliated.
- . Servlink: institutions and means of communications in every community that will link people to community service opportunities.

The Commission on National and Community Service

Authorized by the National and Community Service Act of 1990, the Commission became operational in 1991. It seeks to promote the development of a major national community service movement, focused initially on youth but welcoming all. The Commission's task is to provide funding, training, and technical assistance to

States and communities to develop and expand service opportunities. The Commission is administered by a 21-member Board of Directors nominated by the President and confirmed by the Senate.

Volunteer Liability Reduction Initiatives

The President has proposed three major initiatives to reduce concerns about unwarranted liability as a barrier to volunteering:

- . The National Center for Community Risk Management and Insurance. The President called for the creation of this national clearinghouse to reduce liability barriers to volunteering. The Center, which began operating in 1991, provides educational materials and encourages corporate risk managers to help community programs. It will also analyze and propose means of addressing insurance needs.
- . The Model State Volunteer Service Act. The President has proposed a model State act to reduce volunteer liability. Adopted by Alabama and Delaware, it is currently under consideration by the legislatures of many other States, in at least 15 of which it has been formally introduced.
- . Amendments to the Risk Retention Act. The President has proposed certain amendments to this Act to enable volunteer organizations to obtain insurance more easily.

The President's Annual Points of Light Awards

Formerly called the President's Volunteer Action Awards, President Bush gives this recognition to individuals and programs that help achieve one of five goals for their community:

- . Exceptional care for children and youth developing good character and values.
- . Excellent schools and a culture that fosters lifelong learning.
- . Employment opportunities and the hope of economic advancement.
- . A decent, drug-free and safe place to live in a clean environment.
- . Quality health care and a sense of well-being.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

SUPPORT FOR SCIENCE AND TECHNOLOGY

"Of all humanity's concerns, the power of knowing is the greatest pursuit [and] the surest promise for a brighter future So let us pursue the adventure of science as a sacred trust. Let us keep the fire of the American mind burning brightly for the sake of the future that our children deserve."

-- President George Bush
February 15, 1991

The Bush Administration fully recognizes the profound impact of science and technology on our lives and on our world, and science and technology have been central elements of Bush Administration policies. In the three years since George Bush became President, Federal support for nondefense R&D has gone up by a third. Basic research funding has gone up by one quarter. Defense research and programs have grown, although the defense budget has decreased. And President Bush has taken a number of actions to increase the coordination and effectiveness of Federal efforts in science and technology.

An Investment in Our Future

The Bush Administration views support for science and technology as a vital investment in our national future. Nearly all the great post-war inventions -- computers, microelectronics, genetic engineering, fiber optics, to name but a few -- were invented in America. The U.S. effort in science, the most accomplished scientific effort in history, has provided a strong foundation for the development of new technologies which have been successfully applauded by the private sector. Many of these new technologies reflect America's fundamental commitment to scientific and technological leadership and the ongoing partnership between the Federal Government and American universities and research establishments.

Administration Actions

The Fiscal Year 1993 budget reaffirms the President's commitment to science and technology. It proposes to spend \$76 billion for research and development, with particular emphases on civilian research and development, which would go up 7% from FY 1992 levels, and on basic research, which would go up 8%.

Specific Administration actions in basic research include:

- . Increasing support to individual investigators in our Nation's colleges, universities, and other research institutions
- . Continuing to decipher the human genetic code through the Human Genome Project
- . Focusing on competitive research through the National Research Initiative in agriculture
- . Building the major facilities -- such as telescopes, satellites, and particle accelerators -- that will take scientists to the frontiers of their fields.

The President has proposed to keep funding for the National Science Foundation -- a major source of support for the individual investigators who are the backbone of American science -- on a path that would allow it to double over the period 1987-1994.

In civilian applied research and development, the Administration's strategy is to invest in areas of R&D that support agency mission requirements but also have potentially broad applications in the private sector, even though the commercial applications themselves would not be funded by the government. In such cases, the government's role is to support the development of generic or enabling technologies at the preemption stage of R&D. This strategy emphasizes collaborative arrangements with industry and academia.

Increasing Coordination

Funding increases are only one measure of the Administration's commitment to research and development. It has also organized special interagency Presidential Initiatives in areas of particular promise and importance. It has sought to speed the transfer of technology from Federal laboratories to private industry. And it has worked to foster an economic climate in which industries can invest in the R&D that will keep them competitive -- for example, by proposing that Congress make the Research and Experimentation tax credit permanent.

In addition, the President upgraded the Science Advisor to the rank of Assistant to the President for Science and Technology, established a high-level President's Council of Advisors on Science and Technology (PCAST), and revitalized the Federal Coordinating Council for Science, Engineering, and Technology.

The United States has led the world into the modern age of science and technology. Now the Bush Administration is ensuring that we will lead the world into a future of even greater accomplishment.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

ADVANCED MATERIALS AND PROCESSING

"We are committed to making the investments now which will lay the groundwork for American leadership in the 21st century."

-- President George Bush
February 9, 1989

The Bush Administration is committed to U.S. scientific and technological leadership in advanced materials and processing R&D. Advanced materials and advanced processing of materials are critical to the Nation's quality of life, security, and economic strength. Advanced materials are the building blocks of advanced technologies. Millions of manufacturing jobs depend on the availability of high quality specialized materials.

Materials science and engineering has become as fundamental to technology development as mathematics is to the natural sciences. Exploiting the unprecedented opportunities in materials science and technology will require cooperation throughout government, academia, and industry.

The Advanced Materials and Processing Program

The Administration's FY 1993 budget launched a Presidential Initiative on advanced materials and processing, coordinated across 10 agencies. This Advanced Materials and Processing Program (AMPP) will improve the manufacture and performance of materials to enhance the Nation's economic growth, security, industrial productivity, and quality of life. For FY 1993, the Administration requested \$1.82 billion for the program.

This Presidential Initiative will focus on synthesis and processing -- areas that encompass the development of new materials and new technologies to process materials and the integration of processing with design and manufacturing requirements. The program will focus special attention on how universities, government laboratories, and industry can work together and on the process of technology transfer from basic research to applications. In this way, it will emphasize programs aimed at bridging the gap between the innovation of new materials and their applications.

Working with the Private Sector

The President's program reflects the recommendations of private sector organizations as well as the mission needs of the individual agencies involved. Interactions with the private sector will be emphasized as the initiative progresses to improve the synergy between the Federal R&D program and industrial research activities.

The United States has been the world leader in fundamental materials science and technology research. Advanced materials have applications throughout our economy, from aircraft to computers to automobiles and the President is determined that the United States extend its leadership in this key area of science and technology for the 21st century.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

BIOMEDICAL RESEARCH

"If American medicine is to continue to do the job, we must maintain our world leadership in medical research and development. . . . The clock is ticking, and medical breakthroughs tomorrow depend on action today."

-- President George Bush
February 22, 1990

The President's strong support for medical and life sciences research has brought us to the dawn of an era in which discoveries in basic science promise new methods for the prevention and treatment of disease and disability.

The Bush Administration's policies recognize that new knowledge and new techniques for both prevention and treatment now promise a significantly improved quality of life. For example, new vaccines, new drugs, low-cost and simpler diagnostic techniques, and improved methods of treatment are leading to better health throughout life and improved medical management.

Support for Biomedical Research

The President has proposed larger increases for biomedical and behavioral research than has any President in history. In the Fiscal Year 1993 budget, he proposed an investment of \$10.6 billion for health research, an increase of 35% over the amount appropriated in FY 1989. A particular emphasis has been research by individual investigators, who produce much of the fundamental new knowledge on which major advances are based.

A Base for the Future

Federally supported researchers have contributed in a number of other ways to our national well-being. They have developed many of the tools used in biotechnology, fast becoming a major American industry. They have trained the researchers and doctors who will use and build on their work. And they are part of long-term programs -- such as the Human Genome Project -- that will provide the body of information needed for future breakthroughs.

Deregulation and Incentives

The Bush Administration is working to reform the drug approval and other related regulatory processes so that patients do not unnecessarily wait for the approval of new therapies and diagnostics. The Administration is working to improve the economic climate in which industries can invest in R&D that will keep them competitive -- for example, by proposing that Congress make the Research and Experimentation tax credit permanent, proposing capital gains incentives, and supporting process patent legislation.

Areas of Focus

The Administration has launched a new decade-long research program that could lead to greatly improved means for the prevention of three of the leading causes of death and disability among women -- cardiovascular diseases, cancer, and osteoporosis. Human gene therapy experiments now being conducted at the National Institutes of Health offer hope for many individuals with genetically related disorders.

The fundamental science of drug and alcohol addiction is being studied through research supported by the Alcohol, Drug Abuse, and Mental Health Administration, with the goal of reducing the human and social toll caused by substance abuse. Rapid advances in neurobiology promise hope for the victims of Alzheimer's disease and other serious neurological illnesses. AIDS research is being funded at a level over \$1 billion. Infant health and mortality, illnesses common among the elderly, and health problems among minorities and the underserved are all receiving special attention. In addition, the Administration is working to ensure that government-sponsored research and private research move more quickly into the marketplace.

Toward the Future

The United States is entering an era when basic biological knowledge will provide a foundation for improved and more cost-effective medical care, a better quality of life for people not only in this country but around the world, and increased economic growth. The Bush Administration is committed to sustaining and expanding U.S. leadership in this vital area.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

BIOTECHNOLOGY RESEARCH

"Scientific and technological advancement have always been at the very heart of our nation's pioneer spirit, pushing the boundaries of our knowledge, creating economic opportunity, and increasing our standard of living and making this a healthier and safer world in which to live."

-- President George Bush
March 3, 1989

The President recognizes the importance of biotechnology to our future technological strength, economic growth, health, and quality of life. The United States has been the world leader in biological research for the past 30 years, providing a foundation for current U.S. preeminence in biotechnology research. This leadership, however, is being challenged as the field changes and rapidly expands.

Biotechnology has the potential to change and improve virtually every facet of American life, from the food we eat and the water we drink to the energy that fuels our machines and the materials from which they are constructed. In addition, it offers novel approaches to conquering disease, reducing world hunger, and reducing environmental pollution.

Biotechnology will also be a powerful influence on our Nation's economic growth and industrial leadership. Biotechnology products had estimated sales of \$4 billion in 1991 with prospects for growth to more than \$50 billion within the next ten years. These advances will require careful planning across Government agencies and close cooperation with the Congress and the wide variety of industrial users of biotechnology.

The Biotechnology Research Initiative

In the Fiscal Year 1993 budget, the President proposed a national Biotechnology Research Initiative designed to extend U.S. leadership in biotechnology research and commercialization for the 21st century. The budget requests over \$4 billion for the program, an increase of 7% above the FY 1992 level and 18 percent over the last two years.

Twelve Federal agencies participate in the Biotechnology Research Initiative, with research efforts in areas ranging from the use of microorganisms to clean up the environment and marine biotechnology to human genome research and molecular medicine. The largest fraction of the budget will support programs in the Department of Health and Human Services -- primarily the National Institutes of Health -- but large increases in funding over FY 1992 levels are proposed for research related to manufacturing, bioprocessing, energy, and the environment.

Reducing Regulatory Barriers

Under the Biotechnology Working Group of the Council on Competitiveness, the Bush Administration is also working to remove unnecessary or outdated regulatory barriers in order to maximize the benefits that biotechnology can provide to the American people. In this way, the Federal Government can help the private sector bring new discoveries to the marketplace to be available for all Americans and the rest of the world.

Through its support of biotechnology research and regulatory reform, the Bush Administration is taking advantage of the countless opportunities offered by our new understanding of the living world.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

HIGH PERFORMANCE COMPUTING AND COMMUNICATIONS

"The development of high-performance computing and communications technology offers the potential to transform radically the way in which all Americans will work, learn, and communicate in the future. It holds the promise of changing society as much as the other great inventions of the 20th century."

-- President George Bush
December 9, 1991

Part of the Administration's strategy to enhance U.S. competitiveness is a special initiative in high-performance computing and communications. This initiative will result in new private sector jobs and new opportunities for sustained economic growth. It is an excellent example of how the government, industry, and academia can work together on the underlying research needed to develop new and important technologies.

In less than a lifetime, information technology has become the largest and the fastest growing industry in the world. The industry was largely invented in America, and America continues to lead the world in information technology. President Bush is committed to maintaining and strengthening that lead.

The HPCC Program

In the Fiscal Year 1992 budget, the President proposed an interagency initiative in High Performance Computing and Communications (HPCC). Nine agencies are participating in the program. Congress appropriated \$655 million for the initiative in FY 1992. For FY 1993, the President proposed a budget of \$803 million for the initiative -- an increase of 23%.

The goal of the HPCC initiative is to meet, by 1996, the needs of Federal agencies to investigate and understand a wide range of fundamental scientific and engineering problems. These have applications throughout our society and economy.

To achieve this goal, the program has adopted a number of strategies. It is fostering novel computer designs in which a single architecture can span the range from desktop to teraop (trillions of operations per second) models. It is pursuing "Grand Challenge" applications -- important problems throughout government and industry that are beyond current computing capabilities -- to achieve software innovations and serve major human needs. It is seeking to combine the power of major computing resources with extremely fast communications and to

make that combination more widely available through a high speed National Research and Education Network (NREN). And it is developing the human resources needed for information technology in the United States through the support of basic research.

These four components of the program -- Computer Systems, Advanced Software Technology and Algorithms, the National Research and Education Network, and Basic Research and Human Resources -- are all poised for major advances.

Broad Public and Private Support

The President's program has enjoyed enthusiastic support from every affected sector. The High Performance Computing Act of 1991, signed into law by President Bush on December 9, 1991, provides a strong Congressional endorsement for the initiative. The Computer Systems Policy Project, formed by the Chief Executive Officers of twelve leading American computer companies, undertook a year-long examination of the program, and many other private sector and governmental groups have provided input to the program as well.

Private industry is working closely with Federal agencies and laboratories in the planning, funding, and management of this initiative to ensure that the fruits of this research program are brought into the educational and commercial marketplaces just as soon as possible.

In time, this visionary initiative of the Bush Administration will be seen as a milestone in the history of computing. Its ultimate impact will far transcend even the ambitious scope of the present and proposed programs.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

COMMERCIAL SPACE BUSINESS

"The commercial space business has grown so far and so fast that it now takes in about as much money as all the receipts at the movie theatres all over the United States."

-- President George Bush
January 24, 1992

Under the Bush Administration's leadership, private sector investment in space hardware and systems has significantly increased. Spurred by the President's policies encouraging greater commercial space activity, space commerce revenues are expected to grow 20% this year. The communications satellite sector alone will generate foreign sales of \$1 billion in 1992 -- the equivalent of 100,000 imported cars.

The Administration has cleared away a maze of regulatory barriers which have impeded the competitiveness of the commercial space industry. These efforts include removing the government as a competitor to private launch vehicles, allowing competition to the Intelsat communications monopoly, simplifying export regulations on space-related products, and endorsing the government's role as "anchor-tenant" in assisting commercial space ventures. The Administration has also significantly reduced barriers to transfer of space-related technologies from government research laboratories to the private sector.

New Commercial R&D Facilities

Administration decisions to procure services from the private sector -- rather than develop its own hardware -- have resulted in a new market for privately-funded space materials research projects. For example, Spacehab, a commercial company, raised \$100 million to build a research facility to be flown regularly on the Space Shuttle. The government will lease experiment space in the Spacehab facility -- as will private firms -- for research in protein crystals, metal alloys, life-saving drugs, and other advanced materials.

Centers for the Commercial Development of Space

The Bush Administration has supported the establishment of university-based NASA Centers for the Commercial Development of Space. More than 200 U.S. corporations interested in space business opportunities have affiliated with these Centers enabling industry to learn to use the unique attributes of space for commercial purposes.

Contracting for Services from the Private Sector

Bush Administration policies have facilitated the development of the U.S. commercial space sector, enabling, for example, the emergence of a multi-hundred million dollar commercial space industry providing services to the civil and military space programs. The Department of Transportation has been aggressively working to promote a competitive commercial launch industry. DOT reports that in 1992, the commercial launch industry, which now contracts to launch U.S. Government payloads, is expected to generate revenues of \$400 million. The first privately developed and operated commercial environmental monitoring satellite, SeaStar, is to be launched in 1993 and will provide NASA and private users with environmental data on the world's oceans.

New Space Markets

The Administration has encouraged a new market for small, low-cost satellites which could provide telecommunications services to anyone, anywhere in the world. The Department of Commerce estimates that this new service market could generate sales of \$5 billion a year.

In addition, by permitting industry to access satellite signals from the Department of Defense's Global Positioning System (GPS), the Administration has enabled the development of a potential multi-billion dollar market for navigation equipment. Some of this equipment, developed by the private sector, provided precise navigation information to our Armed Forces during Operation Desert Storm. This same equipment is now employed in a variety of commercial applications, including land surveying, fishery management, and ship and aircraft tracking.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

MISSION TO PLANET EARTH

"My sincere belief is that environmental protection and economic growth, well managed, complement one another...We can serve this generation while preserving the Earth for the next and all that follow."

-- President George Bush
April 17, 1990

The U.S. Global Change Research Program (USGCRP) is a major initiative of the Bush Administration to provide the scientific basis needed for developing sound environmental policies on issues of global change such as ozone depletion.

A key element of this national effort is the observation of Earth from space. The USGCRP agencies have laid out a blueprint for gathering information on the land, air, and oceans from space, including a NASA effort known as Mission to Planet Earth.

The Earth Observing System

The Earth Observing System (EOS), a key component of Mission to Planet Earth, is a satellite system being developed to collect data on global change. The Bush Administration has redesigned the program by breaking the large, complex satellites into smaller spacecraft to get results on global change faster and with less risk.

The Upper Atmosphere Research Satellite, launched in 1991, is already providing very important new information. By the beginning of the next decade, an unprecedented volume of information will be flowing from NASA satellites to a host of scientists and researchers.

Landsat

The President acted to maintain U.S. leadership in earth remote sensing by continuing the Landsat program. By directing NASA and the Defense Department to work together to develop the next generation Landsat imaging satellite, he broke down old barriers between the military and civilian space programs. This action will make more data available for global change research than ever before, and at prices which are more affordable. At the same time, it will ensure that essential national security needs are met and that support continues for the large and fast-growing private sector remote sensing industry.

Other Supporting Activities

The Bush Administration has mobilized resources among a host of government agencies to speed up our understanding of the environment. The unique expertise of the Energy Department is being employed to develop the technology to build -- and quickly launch -- a satellite to measure the Earth's radiation balance. The technologies the Department developed for nuclear weapons production are being applied to this task.

The Department of Defense will increase access to data from military environmental satellites, as appropriate, for use by global change researchers. NOAA's meteorological satellites are already contributing data, and the efforts of researchers from the U.S. Geological Survey, the Department of Agriculture, the Environmental Protection Agency, other government agencies, and the private sector have been focused on this effort.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

SPACE EXPLORATION

"Space Station Freedom . . . a permanent lunar base . . . a manned expedition to Mars . . . these objectives are the cornerstone of my Administration's far-reaching plan for investing in America's future."

-- President George Bush
May 11, 1990

America's Apollo 11 spacecraft placed the first humans on the Moon on July 20, 1969. Twenty years later, President Bush announced a new set of goals for the 21st century -- to return Americans to the Moon to stay and to mount a mission to Mars. This Space Exploration Initiative supports the goals President Bush set forth in his 1989 National Space Policy, including:

- . to expand human presence and activity beyond Earth orbit into the Solar System;
- . to use space to obtain scientific, technological and economic benefits for the American people;
- . to encourage private sector participation in space;
- . to improve the quality of life on Earth.

President Bush initiated a nationwide search for innovative ideas for returning to the Moon and landing humans on Mars. The private sector, academia, the general public, and the research laboratories and facilities of the federal government all were asked to participate.

Vice President Quayle, Chairman of the National Space Council, established an independent advisory group -- the Synthesis Group -- to analyze the results. He asked the team to concentrate on innovative concepts and technical solutions, and to explore new technologies to lower costs and enable nearer term mission options. Its May 1991 report, which charted several possible courses for the next 30 years, has been valuable in planning the exploration of the Moon and Mars.

Space Station Freedom

The Administration reaffirmed that Space Station Freedom is the next critical step in manned space exploration. It led a successful effort to defend the program against an attempt to terminate it in Congress during 1991. During 1990, it restructured the program and focused the design around two objectives -- life sciences experimentation and microgravity research -- and reduced its cost and complexity.

New Lunar Missions

The President has proposed funding for two new relatively low-cost, robotic exploration missions to the Moon. Both spacecraft, which are planned for launch in 1995 and 1996, and will carry instruments for completing the mapping of the Moon and surveying lunar resources.

Planetary Exploration and Other Space Science

The President has continued his strong commitment to space science. The 1993 budget devotes about 23% of NASA's funding for research efforts in physics, astronomy, life sciences, planetary exploration, earth sciences, materials, and communications. This is consistent with the recommendations of the Advisory Committee on the Future of the U.S. Space Program.

In planetary exploration, the Magellan (Venus), Galileo (Jupiter), and Ulysses (Sun) missions have been launched in the last two years and are providing exciting new scientific information. The Mars Observer mission designed to examine the geologic and climatic evolution of Mars will be launched in late 1992, and the development of the Cassini mission to Saturn will proceed.

In physics and astronomy, the President's budget continues to support the operation of two Great Observatories, the Hubble Space Telescope (launched in 1990) and the Gamma Ray Observatory (launched in 1991). The budget also continues the development of the third Great Observatory, the Advanced X-Ray Astrophysics Facility, which will be launched in the late 1990s.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

TRANSPORTATION TO SPACE

"In the 20th century, our pathways to progress and development have been the momentous highway and dam projects. In the 21st century, our next great pathway will be space transportation."

-- Vice President Dan Quayle
July 24, 1991

President Bush has acted to reduce the future cost of transportation to space and to make space launches much more reliable and predictable. His initiatives will encourage new uses of space by American industry, enhance our national security, and provide a reliable basis for gaining new knowledge from space and exploring our solar system.

The National Space Council, chaired by Vice President Dan Quayle, has developed a comprehensive roadmap for the future of space transportation. This National Space Launch Strategy, signed by President Bush in July 1991, guides U.S. government investments, ensures that manned and cargo carrying needs are satisfied, eliminates unnecessary regulations, and fosters opportunities for the U.S. private sector launch industry.

The New Launch System

The Administration has begun the development of a new fleet of launch vehicles, the first since the Space Shuttle in the early 1970s. This New Launch System (NLS) will take advantage of modern technology to build more cost-effective, reliable, quick-turnaround launch vehicles. NLS is being developed jointly by the Department of Defense and NASA and will be a family of vehicles with a range of lift capabilities. The fleet will meet the future needs of Defense and NASA and strengthen the capabilities of the U.S. private sector, reduce operational pressures on the Space Shuttle, support Space Station Freedom, and provide a basis for meeting future space exploration needs.

The Space Shuttle

The Bush Administration has taken actions which will extend the operational lifetime of the existing fleet of four Space Shuttle orbiters to meet America's manned spaceflight needs beyond this decade. This will be done by using vehicles other than the Space Shuttle for missions which do not require the presence of astronauts, and by lowering the planned launch rate. In addition, steps are being taken to lower the cost of operating the Space Shuttle program by 15% over five years. These actions should ensure that the purchase of additional Space Shuttle orbiters will not be required while maintaining the program's strong commitment to safety.

Advanced Technology

The National Aerospace Plane (NASP) and other Administration initiatives to develop and demonstrate future launch technologies are paying direct benefits today. NASP-derived materials are being tested by surgeons for joint replacements, and NASP has significantly advanced high speed computing capabilities, which has applications in such areas as automobile design. Programs like NASP will ensure that the Nation maintains its aerospace leadership in the competitive world markets of the 21st century.

The Private Sector

Commercial space is one of the fastest growing sectors of the U.S. economy, thanks to Bush Administration policies. To maintain a competitive commercial launch industry, the President has directed a series of actions to ensure free and fair international markets. These include conducting trade negotiations, considering commercial needs into all government decisions on space launch, facilitating private sector use of excess government launch facilities, and encouraging infrastructure investments by the States. Administration policies have also encouraged government and industry partnerships, producing innovative new capabilities such as the Pegasus winged launch vehicle.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

AVIATION

"Our forebears made an investment in the future that has paid us a handsome return and provided us with a higher quality of life than they enjoyed. . . . our mission for the next decade and the next century is to build on those achievements to ensure connections among all parts of the United States and with the world. Our competitive success in a global economy depends on it."

-- President George Bush
February 26, 1989

During President Bush's term, the Administration has requested and received record levels of funding for aviation programs, launched important initiatives to make aviation safer, quieter, and more competitive and addressed the future of aviation through a comprehensive Strategic Plan outlining aviation goals and policies.

Aviation and the U.S. Economy

The President and the Administration have worked to ensure that the U.S. economy derives the greatest possible benefit from commercial air service -- by providing for the future of America's critical aviation infrastructure, by increasing the commercial opportunities available to U.S. airlines both here and abroad by working to ensure that commercial aviation remains competitive, and by putting more U.S. cities on the international aviation map.

Aviation Infrastructure

The Administration, working with Congress, has obtained record levels of Federal funding for the aviation infrastructure. Over the four Fiscal Years 1990-1993, the Administration will have made available \$33.8 billion for aviation programs, including \$8.9 billion for modernizing the air traffic system, \$7.3 billion for improving airports, and over \$800 million for research to ensure that ours remains the most efficient and productive aviation system in the world. The President's FY 1993 request for aviation programs -- \$9.44 billion -- represents a 43% increase over 1990.

Congress enacted the Administration's proposal to authorize passenger facility charges at local airports so that additional airport capacity may be built to enable more airline competitors at airports.

Airport Noise

The Administration advocated, and Congress enacted, a statute requiring that the noisiest aircraft be phased out of use by the end of the decade, thus ensuring our citizens the quietest possible airport environment by a date certain.

Aviation Safety and Security

The President has taken a strong stand for improving the safety and security of global air travel. From FY 1991 to FY 1993, the President will have increased security funding by over \$16 million (a 30% increase), including many new positions overseas. New explosive detection technology has been introduced. The Administration has vigorously pursued the investigation into the bombing of Pan Am 103.

Aviation Competition

The Administration is committed to the policy of airline deregulation and has steadfastly resisted Congressional attempts to re-regulate the airline industry. The Administration issued the 13-volume study Competition in the U.S. Airline Industry to document benefits of deregulation and answer its critics.

In addition, the Administration has taken concrete steps to ensure that the industry remains competitive. We have allowed more foreign capital to be invested in U.S. airlines so our carriers may have the benefit of world capital markets. (As required by law, airlines will remain under the control of U.S. citizens.) Finally, the Administration has on infrequent occasions intervened in airline route and slot transfers where the acquisition by certain carriers would be anticompetitive.

Expanding International Air Service to America's Cities

The Administration has been aggressive in its efforts to maximize the benefits of international air service to the U.S. economy, recognizing how critical this is to trade, investment, tourism, and jobs. Through a strategic program of negotiations with foreign governments, the Administration has created important new opportunities abroad for U.S. carriers and has enabled more U.S. communities than ever to enjoy the huge economic dividends that flow from more convenient, direct international air service.

Global Air Navigation

Through the use of satellite navigation and communication, the Bush Administration has led the world in improving the future efficiency and effectiveness of the global air traffic control system.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

MASS TRANSIT

"Ideas fly around the globe at the speed of light because we have an infrastructure to handle the traffic. We need that in surface transportation, too. After all, mobility is the lifeblood of our modern economy."

-- President George Bush
December 18, 1991

During President Bush's first term, the Federal mass transit assistance program has been strengthened. Thanks to new statutory provisions the Administration proposed and Congress enacted, local officials now have flexibility to use many categories of Federal highway assistance for mass transit investment, if that is in the best interest of their community.

The President's mass transit program will result in cleaner air, increased productivity, easier transportation to jobs, better mobility for all Americans, and a robust and growing economy. That is why, under President Bush, the Federal mass transit assistance program has been stabilized and made an important part of the domestic assistance activities of our Nation.

Levels of Funding

- . During President Bush's term, over \$13 billion has been dedicated to mass transit.
- . This year alone, \$3.6 billion will be made available to mass transit providers in cities and towns from coast to coast.

Increased Program Flexibility

- : President Bush believes all Federal assistance should flow to grantees with as little bureaucratic intrusion as possible; he also believes programs should be structured to make Federal dollars lever as many nonfederal investment dollars as possible, from both the public and private sectors.
- . Under President Bush, Federal transit assistance may now be used to underwrite the cost of new kinds of leases, long popular in the private sector, that can markedly reduce the overall cost of equipment acquisition.

Advocacy for Mass Transit

- President Bush has proposed to raise, from \$21 to \$60 per month, the limit on the amount of tax-free mass transit subsidies employers may provide for their employees.
- Because the President believes energy-efficient mass transit should be a genuine option, the Executive Branch now permits Federal employees to choose between parking and mass transit benefits.

Research and Development

No sector of the economy can thrive if it ignores the productivity enhancement available through new technologies. Under President Bush, mass transit research funding has been increased so mass transit operators will be able to deliver a better and more productive service to the American people. A fixed percentage of the entire Federal mass transit assistance program is now reserved for research purposes.

Bringing Transit to the Disabled

- President Bush fought for, and won, passage of the Americans with Disabilities Act, which brings public transit within reach of all Americans with special needs.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

THE SURFACE TRANSPORTATION EFFICIENCY ACT

"This Act will pump \$11 billion into the economy immediately -- supporting more than 600,000 jobs in Fiscal 1992. This Bill also means investment in America's economic future -- for an efficient transportation system is necessary for a productive and efficient economy."

-- President George Bush
December 18, 1991

The Intermodal Surface Transportation Efficiency Act of 1991 contains most of the President's major innovations for restructuring Federal surface transportation programs. The Act authorizes \$151 billion in Federal spending over six years and establishes a framework for the post-Interstate era in America.

Surface Transportation Priorities of the Bush Administration

The Intermodal Surface Transportation Efficiency Act focuses Federal investment on a National Highway System, a network of primarily existing major highways that carry the bulk of intercity travel and the Nation's commerce. The Act offers unprecedented flexibility for State and local governments and new opportunities for private sector involvement. Increased funding and new incentives will promote congestion relief, highway safety, and environmental quality. As the Administration proposed, funding will be increased for rehabilitating and replacing bridges. A new emphasis on technology development will prepare our transportation network to meet tomorrow's challenges. The Act has both the immediate effect of putting people to work and the lasting effect of enhancing the competitiveness of the U.S. economy.

National Highway System

- . The new law establishes a National Highway System (NHS) of 155,000 miles, carrying 40% of all vehicle miles traveled and 75% of intercity truck travel.
- . An efficient NHS will help keep prices of American goods down, thereby benefitting American consumers as well as American producers, whose products in turn will be more competitive in foreign markets.
- . The Act provides \$38 billion in funds to keep the NHS performing efficiently.

Flexibility and Efficiency

- . Funds can be used to support local transportation needs, including highway construction and maintenance programs and transit capital projects.
- . The new law permits States to contract with private developers to construct or improve toll highways with joint public and private investment.
- . Research efforts will be enhanced in partnership with State and local governments and the private sector.
- . Administrative costs to the truck and bus industry in complying with State requirements will be reduced by some \$1 billion annually by the end of 1996.
- . The Act provides new tools to help ensure that transportation improvements address environmental concerns. For instance, it permits the use of Federal highway funds to develop wetlands banks to offset use of wetlands in highway construction.

Highway Safety

- . Federal grants and regulations and voluntary actions by the private sector have saved tens of thousands of lives through programs to encourage increased seat belt use and a reduction in drunk driving.
- . The Federal highway traffic safety program is strengthened under the Act. This program works: 1990 had the lowest fatality rate of any year since records have been kept.
- . Incentive grants to encourage greater occupant protection and further reduce drunk driving are included in the Act.

Transportation is an \$800 billion business in America, and this Act is a major accomplishment of this Administration -- one which will improve the life of every American for decades to come. According to one estimate, 8 billion hours per year are lost to traffic delays, and this bill will help Americans get to work or recreation more quickly. And more immediately, as President Bush has said, "Across America, the Transportation Act will help companies put people back to work."

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

VETERANS AFFAIRS

"America's veterans have faced the hellish fires of combat and the chilling presence of mortal danger so that our children and our children's children might dwell in a safer, more peaceful world. The freedom of millions of people around the globe is, in many ways, a living monument to each of them."

-- President George Bush
October 3, 1991

The Administration, through the Department of Veterans Affairs (VA), the largest civilian Federal department, provides health care, education, disability and housing benefits, and cemetery services to the Nation's 27 million veterans. The VA, with more than 250,000 employees, provides over \$30 billion a year in programs and services.

The Bush Administration is committed to meeting the needs of our Nation's veterans. Recent programs have focused on financial and health care benefits for veterans and providing a strong back-up medical capacity for Operation Desert Storm.

Increase Access to Health Care

To improve veterans' health care, the Administration has:

- . Proposed an increase of nearly \$1 billion this year for the provision of direct medical care for veterans. This would bring the total increase to \$3.7 since FY 1989.
- . By next year, opened 10 new nursing homes since FY 1989 to meet the needs of our aging veteran population.
- . Expanded the number of Geriatric Research, Education, and Clinical Centers, bringing to 15 the total number of such centers of excellence in the field of geriatrics.
- . Established toll-free help-lines for veterans who were exposed to radiation during military service and for hearing-impaired veterans.

The Administration plans to improve the VA health care system by:

- . Increasing resource sharing and other cooperative arrangements with Federal, State, and private sector providers.
- . Providing training opportunities for medical and allied health care professionals to increase the supply of skilled personnel.
- . Increasing AIDS and drug abuse treatment programs

- . Continuing construction and renovation of VA's nationwide system of medical centers to improve patient environment and adapt to new modalities of care.

Life Insurance Dividend Benefits for Veterans

In 1992, for the fourth time in the 75-year history of the veterans life insurance program, more than \$1 billion in dividends will be paid to veterans holding active policies.

Increase Compensation for Disabilities

- . The Administration has proposed a cost of living adjustment (COLA) for compensation benefits each year.
- . It also announced compensation for Vietnam veterans suffering from several diseases based on Vietnam service.

Increase Education Possibilities for Veterans

The Administration has expanded education benefits for veterans to include vocational, technical, correspondence, and apprenticeship training for reservists and established a new education program in the health care field for members of the Ready Reserve.

Expand National Cemeteries

The Administration is committed to making burial in a national cemetery a realistic option for all veterans, and plans to:

- . Construct ten additional national cemeteries in areas of the country that are unserved.
- . Acquire land through purchase or donation to increase burial capacity of existing cemeteries scheduled to close by 2020.
- . Make greater use of the cost-sharing opportunities through grants to States for State veterans cemeteries.

Develop Opportunities to End Homelessness

- . The Administration is dedicated to providing outreach, psychiatric and medical treatment, case management, and residential rehabilitation for homeless veterans.
- . The Administration is increasing efforts to allow veterans with financial hardship to retain their homes.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

ECONOMIC OVERVIEW OF THE BUSH ADMINISTRATION

"As we move into 1992, the fundamental conditions to generate economic growth are falling into place."

-- President George Bush
February 5, 1992

Inflation and Interest Rates are Low

During 1991, consumer price inflation was only 3.1%, the second lowest rate since 1967. From the end of 1982 through 1991, consumer price inflation averaged 3.9%, compared to a 9.3% average from the end of 1973 through 1981. Interest rates generally are at their lowest levels in two decades or more. Rates on 30-year fixed rate mortgages, for example, fell from more than 11% in early 1989 to about 8.25% in mid-January 1992. Declining rates greatly increase housing affordability: monthly payments on a \$100,000 30-year loan at an 11% mortgage rate are \$952.32; at 8.25%, monthly payments are \$751.27. Furthermore, households who already own homes can refinance their mortgages at lower rates, freeing up income to consume or save.

International Comparisons of GDP and Productivity

The United States is the world's best example of the interrelated strengths of democracy and market-oriented economics. Americans have the highest standard of living in the world: U.S. gross domestic product per capita was \$22,056 in 1990 (the last year for which comparable data are available), placing the United States more than 35% above Germany and 25% above Japan. The United States has the highest level of productivity of any country in the world, with output per worker about 20% above the average of the other major industrial countries.

Export Growth Has Been Strong

The Nation's international competitiveness is strong. Exports have provided a significant boost to our economy. Over the past four years, real exports have risen nearly three percentage points of GDP; by the end of 1991, real exports reached 11.6% of real GDP. At the same time, real imports relative to GDP have remained relatively stable.

Free and Fair Trade

The Administration is committed to free and fair trade. Long-term productivity growth depends on opening, not closing or segmenting markets; expanding market opportunities provides lasting gains for both the United States and the world. The historic North American free trade area and the Enterprise for the Americas Initiative will greatly expand trade in this hemisphere. The Administration is committed to achieving a successful conclusion of the Uruguay Round of multilateral trade negotiations, which covers topics ranging from elimination or reduction of tariffs to the strengthening of international rules for trade in textiles and agriculture to the extension of rules to cover trade in services and intellectual property.

The Economic Benefits of Winning the Cold War

Winning the Cold War allows the Nation to turn industrial capacity that had been utilized for defense purposes toward civilian endeavors. In the short run, the transition toward lower defense spending will not be easy, particularly for certain local economies that rely heavily on defense industries. Despite these difficulties, the long-term benefits of this transformation -- which will provide more goods and services for the Nation's businesses and consumers -- are large.

Reducing the Long-Run Structural Deficit

The Budget Act signed in November 1990 includes deficit reduction guidelines and budget process reforms to assure that the reductions are actually achieved. Controlling the growth of government spending and thus freeing up resources for private investment are part of a more comprehensive fiscal program to spur economic growth.

The 1993 budget includes a number of additional proposals to bring the Federal budget and deficit under control. For example, the budget freezes domestic discretionary budget authority, eliminates 246 Federal programs, reduces defense spending, and proposes an enforceable cap on the growth of unfinanced mandatory spending.

Protecting Depositors in Financial Institutions

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 achieved a number of important objectives. It preserved the integrity of the deposit insurance system and ensured that no depositor lost any Federally-insured funds; set limits on inadequately capitalized institutions and raised minimum capital requirements for Federally-insured institutions; established and funded the Resolution Trust Corporation to reorganize

economically insolvent institutions; and established the Office of Thrift Supervision within the Treasury Department to replace the Federal Home Loan Bank Board as the chief regulator of the S&Ls. It also established the Savings Association Insurance Fund within the FDIC to replace the insolvent FSLIC. In addition, the law strengthened criminal and civil sanctions for illegal activities involving financial institutions.

Policies for Long-Term Economic Growth

While the Administration is concerned about the short-term health of the economy, an important part of our economic strategy has been to encourage policies conducive to significant long-term growth and strengthening our position in the global economy. For instance:

- . The Administration has pursued free and fair trade and sought to open markets for goods and services around the world.
- . Since a nation must be educated to compete successfully in the global economy, the Administration's AMERICA 2000 program will revolutionize American education and help us meet the National Education Goals.
- . An emphasis on prevention in health care reduces health care costs and increases productivity.
- . We have sought to bring millions of disabled Americans fully into the economic mainstream through the Americans with Disabilities Act.
- . The Administration has invested heavily in research and development -- supported at a record \$76 billion in the FY 1993 budget.
- . Finally, we have sought measures to increase capital formation and economic security for millions of individual Americans. The President outlined such policies in his recent State of the Union address.

These policies of the Administration will reap economic benefits for the Nation for decades to come.

(February 10, 1992)

THE BUSH ADMINISTRATION RECORD ON

BANKING REFORM

"We need to make our banking institutions not only more sound but more competitive."

-- President George Bush
November 25, 1991

The President signed banking legislation in December 1991 that is much less comprehensive than that proposed by the Administration. Although this bill makes a number of improvements to the current system, the Administration hopes to pass legislation that will accomplish more comprehensive reform.

A World-Class Banking System

The Administration is committed to creating a world-class banking system that is competitive in the global marketplace and that can better serve the needs of business and consumers. To this end, the Administration is pursuing a carefully balanced, integrated, and comprehensive approach to reform, designed to protect the safety and soundness of the banking system while minimizing taxpayer exposure and risk.

Reforming the Financial System

The banking bill (S. 543) passed in December contains the following provisions:

- . It authorizes the FDIC to borrow up to \$30 billion from the Treasury for the Bank Insurance Fund (BIF) to cover deposit insurance losses and provides additional borrowing authority for working capital purposes;
- . It generally requires the FDIC to use the least costly method of resolving failed banks;
- . It requires Federal bank regulatory agencies to take specific actions based on banks' capital levels; and
- . It establishes new examination, audit, and accounting requirements for banks.

The Administration's Agenda

The Administration hopes to pass legislation for a more comprehensive reform of the banking system. Such legislation will:

- . Restore profitability and reduce risk through geographic and product diversification;
- . Increase capital market efficiency and consumer choice by permitting banks to have nationwide branches and a wider range of financial services;
- . Reduce the likelihood of taxpayer bailouts.

(February 18, 1992)

ALLEVIATING THE CREDIT CRUNCH

"The genius of the American economy is the entrepreneurial spirit of our people. Ensuring sound credit for economic expansion which creates new jobs is important."

-- President George Bush
October 9, 1991

"Sound banks should be making sound loans now."

-- January 29, 1991

In response to the credit crunch, the Administration has worked with bank regulators and has conducted extensive meetings with bankers, examiners, and borrowers all over the Nation.

To increase the availability of funds, the Administration is committed to improving the lending environment overall by building banker confidence, implementing improved real estate valuation guidelines, and phasing out the supervisory definition of highly leveraged transactions.

Easing the Credit Crunch

The Administration has worked with regulators to issue over 30 specific regulatory changes and clarifications in order to ease the availability of credit. The Administration issued guidelines to:

- . Ensure that banks' valuation of real estate was based on ability to generate income, not liquidation value.
- . Improve bank examination management.
- . Increase bank capital.
- . Eliminate the definition of highly leveraged transactions.
- . Guidance on asset concentrations.

The Administration has communicated extensively with the banking industry and banking regulators to improve credit availability. This includes three national meetings of bank examiners and over 50 regional meetings with bankers, borrowers, and regulators. The Administration has held over 200 general exploratory meetings hosted by the Treasury Department and the Economic Policy Council.

The Administration's program has been positive and productive.

- . A recent survey by the National Federation of Independent Businesses shows a reduction in the number of business complaints about tight credit.
- . The number of complaint letters to regulatory agencies regarding harsh treatment has dropped recently.

The Administration's Agenda

The Administration will continue to work vigorously to alleviate the credit crunch. Sound American businesses need easy access to credit to expand and grow. To that end, the Administration will:

- . Promote the President's economic growth package.
- . Continue comprehensive bank reform efforts.
- . Continue to review proposals to improve credit conditions.
- . Finalize the EPA rule change regarding lender liability under Superfund.
- . Continue sponsorship and participation in regional meetings around the country.
- . Include purchased mortgage servicing rights and purchased credit card premiums as bank capital.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

THE SAVINGS AND LOAN CLEAN-UP PROGRAM

"The lesson of the savings and loan crisis, to which my Administration responded swiftly, is not that competition and innovation are incompatible with safety and soundness in the financial sector. Rather, this experience shows that poorly designed regulation, inadequate supervision, and limits on risk-reducing diversification can combine to produce behavior that undermines creditors' confidence and imposes unnecessary burdens on taxpayers."

-- President George Bush
February 12, 1991

The Administration's program to revitalize the savings and loan industry has resulted in the protection of millions of depositors' accounts by the Resolution Trust Corporation (RTC). The vast majority of private sector thrifts -- 86% -- are operating profitably, and the industry has recently reported its first three consecutive profitable quarters since 1986. Most insolvent thrifts have been seized by the RTC.

Goals for the Thrift Industry

The Administration is committed to protecting depositor savings, restoring the safety and soundness of thrifts, cleaning up failed thrifts while limiting taxpayer costs, and sending wrongdoers to jail and levying fines.

Strengthening the Industry

Recognizing the seriousness of the problem, President Bush swiftly proposed action to help the Savings and Loan industry on February 6, 1989 -- his 18th day in office. He worked hard throughout that spring and summer to produce a bill that would meet his goals. The resulting compromise was the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), which has been in place for two and one-half years. This Act established the RTC.

- . The RTC has protected approximately 19 million depositors' accounts and \$187 billion in deposits.
- . A total of 679 insolvent thrifts have been seized, and 86% of those have been resolved.
- . By the end of Fiscal Year 1992, the RTC estimates that it will have resolved 741 failed thrifts, so long as Congress provides adequate funding.
- . Through November 1991, the RTC had sold or liquidated about 63% of the \$366 billion in total assets held in inventory.
- . Through November 1991, there had been 734 convictions for major thrift crimes.

The Administration's Agenda

While the thrift industry has been considerably strengthened, there is more work left to do. With the goals of protecting depositors and taxpayers and continuing to build confidence in the savings and loan industry, the Administration will seek to:

- . Pass legislation to provide the rest of the funds necessary to continue the clean-up process.
- . Continue closing and resolving failed thrifts and selling assets.
- . Limit taxpayers' costs.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

CONTROLLING FEDERAL SPENDING: THE BUDGET ACT

"Getting our fiscal house in order is crucial to our Nation's long-term economic health and prosperity."

-- President George Bush
April 25, 1990

President Bush negotiated and signed into a law a budget agreement that includes:

- . tight caps on discretionary spending
- . a new "pay as you go" system to control the previously explosive growth of mandatory entitlement spending
- . process reforms to curb runaway "supplemental" appropriations spending, and
- . a new system to account better for the government's hidden liabilities.

The budget agreement included reforms that cut entitlement spending by over \$100 billion and a new choice-based tax credit to help families afford child care. In total, the budget agreement contained \$500 billion in deficit reduction measures.

The President proposed to reduce the deficit through reductions in spending. Congress insisted on some higher taxes on gasoline, alcoholic beverages, and certain higher-income individuals. For millions of middle- to upper-middle income Americans, the agreement also reduced the marginal income tax rate from 33% to 31%.

Despite repeated attempts by some in Congress to break the spending discipline of the budget agreement, the President has insisted on maintaining these reforms.

Binding Caps on Discretionary Spending

The budget agreement contains binding, statutory caps on each category of domestic spending: domestic, international, and defense. Whereas the old Gramm-Rudman law contained deficit targets for each Fiscal Year, the budget agreement controls the source of the deficit: Federal spending.

- . The caps have changed the annual appropriations process from a "bidding war" to a debate over priorities.

- . Within the caps, the President has increased investment in education, productivity-enhancing R&D, children, fighting crime, and the environment -- while cutting wasteful pork-barrel and special interest spending.
- . In his FY 1993 budget, the President proposed an absolute freeze on total domestic discretionary spending for the Federal Government at the previous year's level.
- . The President has reduced defense spending by almost 30% in real terms since taking office; including a \$50 billion cut over the next five years proposed in his FY 1993 budget. This is in addition to the reductions already planned.

"Pay As You Go": Stemming the Runaway Growth of Entitlements

The President secured the enactment of the first binding, comprehensive system to control the explosive growth of mandatory entitlement spending -- formula-driven spending that is not subject to annual Congressional review. Entitlements and other mandatory programs have grown from 23% of the budget in 1960 to over 50% now.

- . The budget agreement requires that any new entitlement or existing program expansion be paid for with either a cut in another entitlement program or a specific revenue source.
- . As a result, the 101st Congress was the first Congress in years that did not witness the establishment of any major new mandatory spending programs.
- . The budget agreement included reforms in entitlements that will save the taxpayer over \$100 billion over five years -- cuts in agricultural subsidies, reforms to reduce the government's exposure to defaults in loan programs, and steps to end abuses in Medicare.

Controls on "Supplemental" Spending: Stopping the Christmas Tree

The budget agreement provided the President important new tools to curb excessive spending on supplemental appropriations -- traditional vehicles for a "Christmas tree" of Congressional spending.

Under the old system, the President had no effective mechanism, short of a veto, of preventing unwanted spending. Under the new law signed by President Bush, only those items designated as true "emergencies" can be included. If Congress adds special interest items that increase the cost of a supplemental appropriation beyond the level designated as an emergency by the President, spending is automatically cut back through the sequester mechanism.

Exposing and Controlling Hidden Liabilities

Under President Bush, the government is for the first time properly accounting for and working to control many contingent liabilities that previously were not recorded in the budget process.

- . Under the old system, when the government guaranteed loans, no liability was recorded until the borrower defaulted. Under this system, the government was carrying and indeed increasing a huge portfolio of risk without recording or planning for it.
- . Under the new credit reform system, the true subsidy value of any type of loan instrument is recorded at the time the loan is made. Accounting gimmickry is minimized.
- . The budget agreement also required reforms to increase the creditworthiness of various borrowers and thereby reduce the risk to the government.

The President Has Worked to Protect These Reforms

- . The President and the Administration have threatened to veto dozens of bills that would have violated either the caps or the pay-as-you-go system.
- . Without the President's leadership, Federal spending would have been billions of dollars higher.

Reforms for the Future

While the budget agreement contained some helpful first steps, the President has proposed and is working for additional measures to cut spending and reduce the deficit:

- . The President has proposed a line-item veto, a tool that 43 Governors have. A recent study by the General Accounting Office (GAO) showed that if the President had had the line-item veto from 1984 to 1989, the deficit would have been reduced by over \$70 billion.
- . The President has proposed a cap on the future growth of entitlement programs -- enough to accommodate inflation and the growth of the beneficiary population, but far below the projected path of dramatic increases if nothing is done. Entitlement spending now consumes over \$800 billion per year -- more than half the Federal budget.
- . The President has proposed a balanced budget amendment to the Constitution. The constitutions of 49 States require a balanced budget. The President's Federal Government should live under the same.

(F

THE BUSH ADMINISTRATION RECORD ON

THE FEDERAL BUDGET DEFICIT

"[I]t's time we rediscovered a home truth the American people have never forgotten: This Government is too big and spends too much."

-- President George Bush
January 28, 1992

President Bush believes that we have a deficit not because the American people are taxed too little but because the Federal Government spends too much.

Curbing Federal Spending

The President has aggressively sought to control the growth of Federal spending:

- . In his proposed FY 1991 Budget, his first full budget, total spending grew by 3.0%.
- . In his proposed FY 1992 Budget, total spending grew by only 2.6%.
- . In his proposed FY 1993 Budget, total spending grows by only 2.8%, and domestic discretionary spending is frozen.

In each of these three years, the growth in spending in the President's proposed Budget has been below the rate of inflation. This is consistent with the "flexible freeze" the President proposed during his 1988 campaign.

Causes of the Deficit

Although the budget deficit has grown since 1989, this is due to:

- . Congressional decisions to increase spending above the levels recommended by the President;
- . Growth in deposit insurance outlays (and the failure to dispose of these assets as quickly as was hoped);
- . The continuing growth of entitlements;
- . Lower than expected revenues because of the recession; and
- . Growth in interest payments.

The President's budget proposes to reduce the deficit by almost \$50 billion in FY 1993.

Proposals for Attacking the Deficit

The President has proposed to attack each component of the deficit through:

- . A freeze on total domestic discretionary spending. This will keep 1993 domestic discretionary appropriations for all Executive Branch agencies at 1992 levels and reduce spending below the limits agreed to in the Budget Enforcement Act.
- . Complete elimination of 246 programs whose funding is not sufficiently justified.
- . Specific, identified cuts in defense. An orderly and carefully-planned further reduction in defense spending of \$50 billion by 1997 will cut total real defense expenditures of 29% since 1989.
- . Specific, identified reforms of entitlement programs. These reforms will reduce spending on entitlement programs by nearly \$35 billion by 1997 -- nearly \$73 billion including reform of the deposit insurance and pension guarantee programs.
- . New caps on the future growth of these entitlements and on the cumulative subsidies of hidden liabilities.
- . A set of policies that promote economic growth, which Congress should enact promptly.

The President has also proposed a line-item veto to give him the power that 43 governors have to curb unnecessary legislative spending.

The President's proposals will, if enacted, reduce Federal deficits as a percent of GDP from 5.6% in 1993 to 2.4% by 1997.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

ENTERPRISE ZONES

"In our hardest hit urban and rural areas our enterprise zones proposal will create new small businesses. . . . Our proposals mean economic growth, more minority entrepreneurs, and most important, again, jobs."

-- President George Bush
February 27, 1991

President Bush has strongly supported Federal legislation to establish enterprise zones throughout his time in office. Enterprise zones will attack poverty by promoting investment in economically distressed neighborhoods. Enterprise zones will attract new seed capital for small business start-ups, create new incentives for entrepreneurial risk-taking, and reduce high effective tax rates on those moving to work from welfare.

The Enterprise Zones and Jobs-Creation Act will target tax incentives and regulatory relief to some of our Nation's most economically depressed areas.

Under the bill, the Secretary of Housing and Urban Development would designate up to 50 (urban, rural, and Indian) enterprise zones over a four-year period. Designation will be based on the level of distress, as well as on the nature and extent of State and local efforts to improve living conditions and to eliminate government burdens to economic activity. Designation will be for a maximum of 24 years.

The legislation will provide tax incentives to attract seed capital, stimulate employment, and increase the economic return from work for the working poor:

- . Workers will be eligible for a 5% refundable tax credit for the first \$10,500 of wages earned in an enterprise zone business. This will put up to \$525 more income in the pockets of low-income workers. The credit phases out between \$20,000 and \$25,000 of total annual wages.
- . This essentially provides an immediate write-off for investments in enterprise zone businesses. Corporations must have less than \$5 million of total assets. Expensing will be permitted up to \$50,000 annually per investor, with a \$250,000 lifetime limit.

The bill would also give enterprise zone communities priority for free trade area status. Such status would, for example, allow a business in an enterprise zone to import materials duty-free if the materials are used to manufacture products for export to other countries.

The basic point behind the President's enterprise zone initiative is simple: Enterprise zones will help bring jobs to distressed urban and rural areas.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

INCREASING CAPITAL FORMATION

"We must encourage investment. We must make it easier for people to invest money and create new products, new industries, and new jobs."

-- President George Bush
January 28, 1992

Ready access to capital is a requirement of a well-functioning economy and a tool for economic growth. The Bush Administration has worked hard to ensure greater access to capital -- and greater freedom for Americans to reap the rewards of their success -- by seeking to make it easier to obtain access to capital and to increase capital formation throughout our economy.

The President's 1989 Capital Gains Proposal

Recognizing that capital formation is key to our economic growth, the President early in his term fulfilled his promise to work for a reduction in the rate at which capital gains are taxed. The President believes this will, as the experience of the 1978 capital gains tax rate cut shows, once again not lower government revenues but will instead simply benefit the economy.

The President originally proposed a bill reducing the capital gains tax rate on individuals in order to spur investment and entrepreneurship. The bill provided for a 10, 20, or 30% exclusion for capital gains on assets held by individual investors for one, two, or three years, respectively. The bill was approved by the House of Representatives on September 28, 1989. On November 14, the Senate voted 51 to 47 in favor of this tax cut, yet this was fewer than the 60 votes needed to amend a reconciliation bill.

New Capital Gains Proposal

The President has continued his effort to increase capital formation by reducing the tax rate on capital gains. The 1993 budget includes a reduction of the capital gains tax rate for individuals on long-term investments. The budget provides for a 15, 30, or 45% exclusion for long-term capital gains on assets held by individual taxpayers for one, two, or three years, respectively. The three-year holding period requirement will be phased in over three years. Currently, about 60% of Americans who would benefit from a reduction in capital gains tax rates earn less than \$50,000 per year.

Incentives for Homeownership

The 1993 budget includes a proposal to provide a tax credit of up to \$5000 for first-time homebuyers. By accelerating and increasing expenditures on home purchases, such a credit would also assist in the recovery of the homebuilding industry. The budget also proposed penalty-free withdrawals of up to \$10,000 from IRAs for a first-time home purchase.

Investment Tax Allowance

The allowance would provide firms an additional first-year depreciation equal to 15% of the purchase price on equipment acquired before January 1, 1993, and placed in service before July 1, 1993. Unlike many ITC proposals, the ITA does not target certain specific equipment and "pick winners." Along with the reduction in the capital gains tax rates and the changes in the alternative minimum tax, the ITA will reduce the cost of capital faced by American companies, thereby increasing investment and productivity.

Simplifying and Enhancing Alternative Minimum Tax Depreciation

More than one-third of large U.S. corporations pay income taxes according to the Alternative Minimum Tax (AMT) rules, but firms that pay taxes under the AMT currently receive less tax benefit from depreciation than other firms. The President proposes to repeal the "adjusted current earnings" (ACE) depreciation adjustment for firms placing new equipment in service on or after February 1, 1992. In this way, the proposal targets investments in new depreciable property without providing a windfall for prior investments.

Passive Loss Rules for Active Real Estate Developers

The tax laws would be amended so that a person's active real estate development operations are treated the same as for other businesses, that is, gains and losses can be netted for tax purposes. For example, corporations are allowed to net the income and losses from their various subsidiary operations when filing their consolidated income taxes. Because this measure is limited to "active" developers, it will not lead to tax loopholes or encouragement of non-economic construction of unneeded structures. The proposal conforms the passive loss rules to the way other businesses operate under the tax rules.

Human Capital

The 1993 budget includes record Federal investment in Head Start, children, and education, as well as proposals that strengthen the

war on drugs and improve the implementation of job training through Job Training 2000. The budget also provides a deduction for interest on student loans for higher education or post-secondary education and penalty free IRA withdrawals for educational expenses.

AMERICA 2000 is the President's strategy for achieving the National Education Goals. These include having all children starting school ready to learn, universal literacy, drug- and violence-free schools, a high school graduation rate of 90%, and making U.S. students first in the world in math and science.

Permanent Research and Experimentation Tax Credit

The President's budget proposes, once again, to make the Research and Experimentation tax credit permanent. This would provide incentives for firms to increase these activities.

Flexible Individual Retirement Accounts

The budget would establish flexible Individual Retirement Accounts to which middle-income taxpayers may make nondeductible contributions of up to \$2500 per year and from which contributions and interest may be withdrawn without penalty after seven years.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

JOB TRAINING

"Job training must be more than merely make-work. It's got to suit the needs of the workplace and the marketplace."

-- President George Bush
January 17, 1992

President Bush believes that to compete successfully in the global marketplace, America needs a dynamic, flexible, and well-trained workforce. While the primary responsibility for job training must remain in the private sector, Federal, State, and local governments can play an important supporting role.

The Bush Administration intends to build a comprehensive and coordinated job training system by streamlining the maze of Federal programs currently dispersed across numerous agencies. This system is intended to provide Americans with opportunities to acquire the broad skills demanded in the new global economy, through "one-stop shopping centers" designed to serve individuals and employers more effectively.

The nucleus of the new system is the more than 600 business-led Private Industry Councils (PICs), which will provide greater input to job training and education programs by the local business community. The PICs will manage Skills Centers, the primary point of entry into Federally-funded job training and occupational education programs. To ensure that Federal funds support only high quality job training, the PICs will certify, in conjunction with State programs, all local vocational education and training programs. They will coordinate the local delivery of more than \$12 billion in funds, including \$7.6 billion in new and existing training vouchers. They will directly control \$4.1 billion for certain programs.

Job Training 2000

Job Training 2000" is based on four basic principles:

- . Simplifying and coordinating program services;
- . Decentralizing decision-making and creating a flexible delivery structure for public programs that reflects local labor market conditions;
- . Ensuring high standards of accountability and incentives for quality job training services; and
- . Encouraging greater and more effect private sector involvement.

The initiative consists of four major elements:

1. Reforming vocational training:

- . The initiative transforms the Employment Services offices into Skills Centers that would serve as a "one-stop shopping" point of entry into Federally funded job training programs. These centers would provide skills assessment, referral services, labor market information and job placement assistance.
- . It also seeks to expand the role of the PICs, subjecting them to performance standards and providing them with incentive grants.

2. Facilitating the transition from school to work:

- . The initiative will establish voluntary skill standards for what employees should know and be able to do in different occupational areas.
- . It will also enable schools to establish youth apprenticeship programs.
- . Fair Labor Standards Act changes would allow training wages in approved programs.

3. Facilitating the transition from welfare to work:

- . The initiative encourages greater and more effective private sector involvement.
- . It will fund demonstration projects to use private or non-profit firms to provide basic training and job placement for welfare recipients.
- . The President's health plan would eliminate loss of health care coverage when AFDC recipients work; their health insurance credits would help cover employer health insurance costs.

4. Promoting life-long learning:

- . Each citizen eligible for Federal assistance for education or training should have access to a simplified Lifetime Education and Training Account consisting of a combination of grants and loans.

Financial incentives will help make training institutions accountable. At least 20% of the payment a training institution would otherwise receive (excluding student living expenses) would be paid only when the trainee completes the program and holds a job in the field of training for at least 90 days.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

PUBLIC SERVICE AND THE FEDERAL WORKFORCE

"I want to make sure that public service is valued and respected because I want to encourage America's young to pursue careers in government. There is nothing more fulfilling than to serve your country and your fellow citizens and to do it well. And that's what our system of self-government depends on."

"I believe there is tremendous pent-up energy in the Federal Government, a powerful force for good, that needs to be released, and I want to be the President to do that, to release the Federal manager from bureaucratic bondage so that together we can, as I said on the steps of the Capitol, use power to serve people."

-- President George Bush
January 26, 1989

Under President Bush, the Administration has been responsible for changing the inflexible Federal pay system to a flexible, locality-based system which will allow the Government to recruit and retain the best people in the most cost-effective manner. This initiative, coupled with more efficient recruitment strategies and new training and development emphases, will result in a more productive Federal Government serving the public with excellence.

The Bush Administration has a strong commitment to a high quality public service dedicated to excellence, prudent in its use of the public's tax dollars, and as diversified in its composition as the Nation itself.

Increased Productivity and Improved Quality of Service

Under President Bush, there has been heightened interest in ensuring that the Federal Government increases productivity and improves the quality of services to the public. Between 1988 and 1991, the number of Federal organizations using quality management principles significantly increased.

- . In that period, fifteen winners of the Federal Quality Award had documented savings of over \$2 billion.
- . Most major Departments and agencies have increased their emphasis on quality management. Examples of departments and agencies that have widespread efforts underway are Defense, IRS, Interior, and NASA. Many others have quality efforts underway for individual programs.

A High Quality Federal Workforce

The education, experience, and quality of the Federal workforce is equivalent to and in some instances higher than that in the private sector.

- . For example, a study of scientists and engineers in Federal civilian agencies concludes that, in terms of qualitative data, Federal professionals are well-educated, experienced, and high performers. A 1990 study report of the characteristics of 8600 scientists and engineers indicated that 49% have advanced degrees, 23% of whom hold a doctorate; and on average they had almost 20 years of experience."

Improved Image of Public Service

Under President Bush's leadership, the image of public service has improved. The large numbers of college graduates interested in entry-level professional positions provides evidence of this; since May 1990, approximately 255,000 college graduates have applied for the Government's professional entry level examination.

A Smaller and More Cost-Effective Federal Government

- . Compared to calendar year 1988, Executive Branch agencies had 22,000 fewer employees at the end of 1991. The Fiscal Year 1993 budget proposes further reductions, including a freeze on Federal domestic employment.
- . Including reductions of over 40,000 civilian employees of the Department of Defense and over 122,000 uniformed personnel, the President's budget would decrease Executive Branch employment by over 162,000 (4%) in FY 1993.
- . The use of sick leave and the turnover rates have decreased. The Federal Government is experiencing the lowest usage of sick leave since monitoring began seven years ago.

A More Diverse Federal Workforce

The President is living up to his commitment that his Administration would represent the diversity of the Nation. There has been an increase in the numbers of women, minorities, and Americans with disabilities at all levels of Federal service.

- . The Office of Personnel Management reports to Congress annually on civilian employment. A comparison of the 1988 and 1991 reports indicates a total increase in the percentage employment of each identified minority group.
- . Asian and Hispanic women and Asian men showed the largest increases.

- . Since 1988, the number of both women and minorities in executive positions (political and career) has increased. For example, women in the Senior Executive Service have gone from 9.4% to 12%; minorities have gone from 6.5% to 7.8%.
- . Federal employment of disabled Americans has increased from 6.6% in 1988 to 7% at the end of FY 91. The percentage of disabled veterans who are Federal employees has increased from 13.2% in 1988 to 14.6% in 1991.

Efficient Recruitment and Referral Systems

The job information and referral systems designed to inform the public of job opportunities and to refer applicants to agencies have become more efficient during the Bush Administration.

- . As of January 1992, a nationwide job information system is in place that allows the public to access, through a 7-day, 24-hour 900 number, information about job vacancies by agency, occupation, and geographic area.
- . Agencies requesting candidates to fill their vacancies can now receive a list of qualified applicants from the OPM within 15 minutes of the time of the request.

More Cost-Effective Federal Employees Health Benefits Program

Under the Bush Administration, the Federal Employees Health Benefits Program, the Nation's largest employer health benefits program, has become more cost-effective, with premium increases being far less than has been the case in the private sector. This has been as a result of cost-containment methods such as pre-admission certification and large case management as well as program reserves.

- . In 1990/1991, the premium increase for Federal employees was 5.7% as compared to 12.1% in the private sector; in 1991/1992 the premium increase for Federal employees was 8.2% as compared to 12% in the private sector.

Federal Employees Engaged in Community Service

The President has called on his Cabinet and other heads of Federal agencies to recognize the community service efforts of Federal employees and to make community service opportunities more accessible through the workplace. The efforts of Federal employees involved in solving serious social problems through community service attempt to link more closely Federal offices and the communities in which they are located.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

TRADE

"We want the opportunity to compete aggressively in the international marketplace. And at the same time our consumers want access to the best goods and services that [other] economies have to offer."

-- President Bush,
January 4, 1992

The Bush Administration is committed to opening markets for American goods, services, and farm products. Since 1986, U.S. exports have increased by almost 75%, reaching a record \$398 billion in 1990. Rising exports have accounted for over one-third of U.S. economic growth during the last five years. With the increasing internationalization of the U.S. economy, our economic prosperity is becoming ever more closely tied to our ability to compete in overseas markets.

President Bush is committed to free and fair trade as a key to ensuring U.S. prosperity for the future. His goal is to open new markets for American goods, farm commodities, services, and investment by negotiating with our trading partners to expand trade flows and eliminate unfair barriers to American goods.

The Administration opposes protectionism. America's future lies in opening markets and showing international leadership. Protectionism and economic isolationism can only lead to a loss of American competitiveness and a long-term decline in our living standards.

The Uruguay Round

The United States is leading efforts to complete the Uruguay Round of multilateral trade negotiations, the most ambitious in the history of the General Agreement on Tariffs and Trade (GATT). Our goals include sharply reducing trade barriers worldwide; extending GATT rules to services, investment, and intellectual property; and curbing unfair foreign subsidies that undercut American farm exports. It has been estimated that a successful GATT agreement would increase U.S. GNP by \$1.1 trillion over ten years. The President is a strong supporter of the GATT. As he has said, "we've got to strengthen GATT as a matter of principle: as a sign to the emerging democracies in Eastern Europe and in this hemisphere that free trade is the way of the future."

The North American Free Trade Agreement

Increased trade is a win-win proposition. As trade expands, all nations experience higher incomes, increased production, and economic growth. Accordingly, the President has proposed a North American Free Trade Agreement (NAFTA) to bring together the economies of the United States, Mexico, and Canada. Our goal is to expand trade and investment with our first and third largest trading partners and establish a vibrant growing free trade zone. Increased trade with Canada and Mexico could generate over 50,000 American jobs. The Administration is also committed to strengthened cooperation with Mexico on labor standards and environmental protection; we believe Mexico shares this commitment.

U.S.-Japan Trade

The Administration supports increasing American exports to Japan, so that trade strengthens, rather than undermines, the alliance between our nations. Under section 301 of U.S. trade law, the Administration has negotiated agreements to gain access for U.S. satellites, supercomputers, forest products, telecommunications, semiconductors, and amorphous metals. The Administration has concluded a broad-ranging Structural Impediments Initiative (SII) agreement aimed at eliminating underlying structural barriers to U.S. trade. Since 1986, U.S. exports to Japan have increased by 81 percent. Exports of manufactured goods are up by over 120 percent and the bilateral trade deficit has fallen by \$17.1 billion to \$41.1 billion. President Bush delivered a forceful message promoting free and fair trade during his recent visit to Japan. While there has been solid progress in opening the Japanese market, our view is that additional progress is required.

Enterprise for the Americas

The Administration has launched an Enterprise for the Americas Initiative designed to expand our trade with Latin America and create a true economic partnership based on reciprocal trade and mutual respect. The initiative seeks to complement Latin American economic and political reforms through its three pillars of trade agreements, debt relief, and increased investment. These reforms will help restore economic growth in a region that is a natural market for American exports and with which we traditionally have had close ties and important interests.

Our future prosperity depends on opening markets and continuing to expand U.S. trade. Retreating into protectionism, managed trade, and isolationism is a prescription for economic decline and a loss of American leadership.

(January 17, 1992)

THE BUSH ADMINISTRATION RECORD ON

U.S.-PACIFIC TRADE

"Asia has transformed itself in the space of a generation into the most rapidly growing region on the face of the Earth."

-- President George Bush
November 12, 1991

The Bush Administration has taken the lead in adapting American involvement to the dynamic Asia Pacific region -- our largest and fastest growing trade partner -- in the context of acceleration of the integration of the world economy. We have nurtured a sustained Japanese commitment to market-opening measures and have enlisted the support of our Asia Pacific partners in the current effort to conclude successfully the Uruguay Round of the GATT talks. We have helped transform the Asia Pacific Economic Cooperation (APEC) concept into a viable institution of 15 economies, and will continue to encourage economic growth and free and fair trade in the region, not the least by setting an example in strengthening our own economy.

American Commercial Interests

With its 1.9 billion people and 60% of global GNP, the Asia Pacific market is vital to U.S. prosperity. East Asia has grown over the past ten years to become the largest foreign economic partner of the United States. U.S. trans-Pacific trade is now one-third larger than U.S. trade with Europe; in 1990 U.S. manufacturers sold \$115 billion worth of goods in the region, 29% of total U.S. exports. With the region's high savings and investment rates and dynamic entrepreneurs and governments, we expect that by the year 2000 America's Pacific trade will be double its Atlantic trade.

The Administration has made an investment in the future in the Asia Pacific region. We have promoted American business endeavors resulting in a 15 percent increase in U.S. investment in the region from 1989-90 and an estimated 12 percent increase in our merchandise exports to the region in the same period. Our merchandise trade deficit with the economies of the Asia Pacific declined an estimated 12 percent from 1989-91.

Commitment to Free Trade

Reduction of trade imbalances caused by distortions of free and fair trade is a high priority for this Administration. We have worked hard to promote an open world economy and a strong multilateral trading system that will provide benefits far beyond those to be gained from any protectionist trading bloc. The Administration participates as a founding member in APEC, with ASEAN at its core, the forum for dynamic promotion of market-oriented reforms and trade liberalization throughout the region.

Our Structural Impediments Initiative, designed to improve U.S. competitiveness and open markets in Japan, has been mutually beneficial and was further strengthened during the President's January visit to Japan. Japan's Global Business Partnership Plan of Action will mean more jobs for Americans and better trade relations between America and Japan for the long-term.

Where cooperation has been less successful in Asia, we have used the trade policy tools available to us to persuade our partners in the region that we are deeply committed to free and fair trade. For example, we have used Special and Section 301 trade action to address inadequate protection of intellectual property rights and market access barriers in China and Thailand. Our IPR agreement with China will help to expand U.S. exports.

In January 1992, the President visited Asian countries to participate in the U.S.-Asia Environmental Partnership, which will improve environmental quality in Asia while expanding markets for U.S. goods and services.

American Competitiveness

The Administration is determined to improve America's position in an integrated, highly competitive global economy and has embarked upon an effort to demonstrate that national security and economic strength are indivisible. If we are to continue to reduce trade imbalances in the region, we must, along with the forward-looking steps Japan and the U.S. have taken to open Japanese markets, reduce our own budget deficits while also encouraging U.S. private savings and investment and improving American education. We seek to end the competitive disadvantage American businesspeople suffer as a result of our unacceptably high effective tax rate on capital gains.

We will continue to pursue a strategy that expands and strengthens market economies in the Asia Pacific region. This will require further efforts to open markets and expand trade, strengthen cooperation with our major partners and important financial institutions, and develop imaginative solutions to the problems of developing countries in the region.

THE BUSH ADMINISTRATION RECORD ON

TRADE AND ECONOMIC RELATIONS WITH JAPAN

"In the cause of free and open trade, we want agreements that produce permanent improvement in access and in U.S. sales to Japanese markets and permanent improvements in the lives of Japanese consumers."

-- President George Bush
January 7, 1992

President Bush's trip to Japan in January 1992 was a success. Besides building on the strong U.S.-Japanese political partnership and strategic alliance, the President also made progress on the important issue of building our commercial and economic relationship with Japan -- particularly opening the Japanese market to U.S. exports.

Strategy for World Growth

Japan and the United States are the world's two largest economies, accounting for 40% of world Gross National Product. As such, they bear a critical responsibility for promoting growth not only in their countries, but around the world -- and a growing world economy is good for the United States.

In their joint statement, "Strategy for World Growth," both the United States and Japan recognized that global growth is a top priority and agreed to take actions to strengthen the international economy.

- . U.S. interest rates are moving down. Japan agreed to cut its discount rate by .5% to 4.5%.
- . The Japanese Government will "monitor progress to assure the expected effects" of lower interest rates.

Resolving Bilateral Trade Problems

The Bush Administration has accomplished a great deal in our trade relations with Japan over the past three years, seeking to open the world's second largest market economy to U.S. exports. For example, we have signed four telecommunications agreements, covering cellular telephones, international network services, and equipment; agreements covering government procurement of supercomputers, satellites, construction services, and computer hardware and services; and accords substantially improving our

access to the Japanese markets for semiconductors, wood products, and amorphous metals.

These efforts have led to concrete results for U.S. exporters:

- . Since 1988, U.S. merchandise exports to Japan have risen by an impressive 30% to \$49 billion.
- . U.S. merchandise exports to Japan have grown 50% faster than U.S. exports to the rest of the world. American exports to Japan in 1990 were greater than our exports to West Germany, France, and Italy combined.
- . Our telecommunications exports have risen 180% since 1988, to about \$735 million in 1991.
- . Our semiconductor exports have risen from \$920 million in 1986, when the U.S. signed the first semiconductor agreement with Japan, to nearly \$2.4 billion in 1990.
- . In construction services, since 1988 U.S. firms have won \$375 million in contracts; prior to the 1988 agreement, U.S. firms have virtually no presence in the market.
- . Since the June 1990 satellites agreement, one contract has been awarded; the \$600 million award went to a U.S. firm.
- . U.S. firms have won three out of eight contracts since the June 1990 supercomputer agreement. Prior to the agreement, U.S. supercomputers were chosen in only two out of 43 cases.
- . U.S. industry expects the June 1990 wood products agreement to increase U.S. exports of plywood and other processed wood products by over \$1 billion annually.
- . The U.S. computer industry expects the agreement opening Japan's government procurement of computers and related services to foreign suppliers, concluded during the President's trip to Tokyo, will result in increased sales of \$3.5-\$5.5 billion annually by 1995, when the Japanese government market for computer products and services is projected to grow to nearly \$16 billion.

The President's trip also substantially improved our access to Japan's \$65 billion paper market, the \$4 billion flat glass market, and improved our access to Japan's automobile and parts markets as well.

Principles of Our Trade Policy

The central objective of this Administration's trade policy has been to open markets, opening new export opportunities abroad and stimulating growth, jobs, and prosperity at home. We seek in our negotiations with Japan to establish an open and competitive climate where decisions are based on price and quality alone. Our entrepreneurs must be permitted to trade and invest in Japan as freely as Japanese entrepreneurs are able to trade and invest in the United States.

The Bush Administration is working to open the Japanese market by lowering structural barriers through the Structural Impediments Initiative (SII), eliminating barriers in specific sectors using our trade laws and other means. We have had significant success:

- . For instance, SII negotiations resulted in streamlining the cumbersome and restrictive Japanese approval process for large retail stores. One beneficiary was Toys 'R Us, which opened its first store in Japan last December and plans more than 100 by the end of the century.
- . SII has also led to progress in areas such as Japanese government procurement of computers; greater shareholder rights; and an improved foreign investment infrastructure, such as easier customs clearance and reformed procedures in the Japan Patent Office.

We remain concerned about Japanese impediments to market access and continue to work vigorously to remove these impediments in our sector-specific negotiations, our Structural Impediments Initiative talks, and in our efforts to successfully conclude the Uruguay Round negotiations that are so essential to the health of the world trade system.

"[T]his progress translates into jobs and economic growth in America because I know the American worker can compete with anyone around the world if given a fair chance."

-- President George Bush
January 9, 1992

(March 9, 1992)

THE BUSH ADMINISTRATION RECORD ON

INTERNATIONAL DEBT STRATEGY

"Nations which a few years ago were on the brink of financial disaster are returning to the markets, attracting major new investment and a return of flight capital, and experiencing renewed growth."

-- Secretary Nicholas F. Brady
October 13, 1991

The Bush Administration has achieved substantial progress in addressing the debt problems of developing countries. Market-oriented economic reforms are now seen as essential to economic growth. Substantial amounts of debt have been reduced or forgiven by international creditors for countries undertaking economic reforms.

An International Strategy

The Administration has taken the lead role in forging an international strategy to address the debt problem. This strategy aims at restoring creditworthiness in developing countries by encouraging them to undertake broad, sustained economic reforms, including measures to liberalize investment regimes to attract and retain private capital.

The Brady Plan

The Administration's plan for addressing commercial bank debt has shown dramatic success. Eight countries accounting for \$125 billion in commercial bank debt have now negotiated new financing and debt reduction agreements with their commercial banks. The combination of sound economic reforms and debt reduction is causing a positive market response. These eight major debtors have received \$9 billion in new financial flows from commercial banks and international capital markets and \$11 billion in new net direct investment flows.

Official Debt Relief

To support debtor nations undertaking economic reforms, the Bush Administration has taken a number of actions to ease official debt burdens. Multilaterally, through the Paris Club, the Administration has provided longer repayment terms for both the poorest and lower middle-income countries. Bilaterally, the U.S. has forgiven almost \$3 billion in concessional debts owed by the poorest countries of Africa, Asia, and Latin America.

Under the Enterprise for the Americas Initiative -- of which debt reduction is one of the three "pillars" -- \$263 million owed by countries in Latin America and the Caribbean has been forgiven. The debt reduction "pillar" includes an innovative mechanism which allows indebted countries to repay interest on remaining debt in local currency for use in grassroots environmental projects -- in effect, a "debt-for-nature" swap.

"Debt-for-Nature"

In 1990 at the Houston Economic Summit, the Group of Seven's statement singled out debt for environment swaps as a mechanism that can play a useful role in protecting the environment. In the fall of 1990, the Paris Club decided to accept debt for environment transactions as a strategy for reducing foreign debt burdens in heavily indebted countries.

Exceptional Debt Reduction for Egypt and Poland

Vigorous efforts of the Bush Administration resulted in multilateral and bipartisan support for exceptional debt relief for Egypt and Poland. These actions supported Egypt's special role in coalition efforts in Operation Desert Shield and Poland's dramatic economic and political transformation.

The Bush Administration has promoted an international debt strategy which is working well. We are confident that the broad range of economic reform and debt relief efforts now underway holds the hope of economic growth in many developing countries, with consequent benefits not only for the developing nations themselves but also for U.S. exporters.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

STRATEGIC TRADE POLICY

"I've made it a priority to review and modernize our export controls to provide vital help to the emerging democracies without compromising national security. Given the pace of political change, rapid advances in technology, and the competitive position of American industry, we must ensure that export controls are effective or eliminated."

-- President George Bush
March 7, 1990

Over the past three years, the Bush Administration has pursued aggressively a transformation of strategic trade policy from the traditional focus on the now defunct Warsaw Pact towards the threats of the 1990s -- most visibly seen in the weapons and missiles Saddam Hussein sought or acquired. In so doing, export licenses that constrain U.S. industries have been reduced some 80%. At the same time, we have achieved multilateral consensus for more effective international controls against the proliferation of weapons of mass destruction and the missiles to deliver them.

Past Successes

The Bush Administration entered office strongly committed to maintaining an export control regime that for over 40 years had denied the Soviet Union and its Warsaw Pact allies access to strategic technology. The combined efforts of the United States and our allies in COCOM effectively hobbled Soviet weapons development. In weapons targeting, stealth technology, or night vision devices, the arms and supporting systems available to NATO allies were increasingly more effective than those possessed by potential adversaries.

The Changing Strategic Environment

However, both the strategic balance and our bilateral relations with the former Soviet Union began to change. The first substantive policy review in the area of strategic trade occurred just after the Soviets left Afghanistan. It led to the removal of a decade-old U.S.-imposed limitation on sending any high technology equipment to the USSR; the "no exceptions" policy was rescinded.

As the strategic environment continued to improve, the President directed the intelligence community and Joint Chiefs of Staff to undertake a new strategic assessment. This assessment identified relatively few "gap-closing" technologies which were critical to protect our strategic advantage in weapons systems. The U.S. took the lead with its allies in removing export controls on large numbers of other items not critical to our strategic superiority.

New Concerns -- Proliferation

During this same period, efforts by some nations to acquire weapons of mass destruction -- chemical, biological, and nuclear -- and the missiles to deliver them continued and intensified. In response to this threat, the Administration developed an improved set of nonproliferation export controls. The Administration has sought to ensure that these controls are also implemented by other nations.

Tasks Ahead

Working with industry, allied governments, and the Congress, the Administration will continue to evaluate and expand on its record of success in reducing export control constraints on East-West trade while seeking to impose limits on proliferators. Guiding these efforts will be a firm commitment to multilateral controls as the most effective mechanism to protect the collective security of free nations.

The Administration wants American companies to be able to take advantage to the fullest extent possible of the new opportunities for business in the former Soviet bloc; at the same time, we seek to ensure that the United States will not inadvertently lessen world security through trade which results in proliferation of weapons of mass destruction.

(February 18, 1992)

THE BUSH ADMINISTRATION RECORD ON

TRAVEL AND TOURISM

"U.S. earnings from tourism are growing faster than our receipts from goods and services as a whole -- and this has been the case for over 30 years."

-- President George Bush
October 28, 1991

Travel and tourism are an important part of the U.S. economy. A \$327 billion industry, travel and tourism generates more jobs than any other industry except health services and directly employs nearly 6,000,000 Americans. Tourism is among the top three industries in 37 of the 50 States. In 1990, international visitors to the United States spent approximately \$52.8 billion.

Travel in the Economy

- . The travel industry provides a disproportionate number of jobs for traditionally disadvantaged groups: over one million black Americans, nearly a million Hispanic Americans, and nearly five million women. The total payroll for workers in the travel industry is nearly \$83.4 billion.
- . The Presidential Initiative on Rural Economic Development recognizes that new economic opportunities for rural America will be found primarily in off-farm employment opportunities such as tourism, retirement living, and commercial recreation. As part of that initiative, Federal agencies will provide for educational outreach programs in rural tourism development.

Promoting the United States Abroad: Federal Support

The United States Travel and Tourism Administration (USTTA), an agency of the Commerce Department, has regional offices serving the ten primary tourist-producing markets of the world: Australia, Canada, France, Germany, Italy, Japan, the Netherlands, Mexico, South America, and the United Kingdom.

- . USTTA international offices conducted 118 seminars in Fiscal Year 1991 to acquaint 9,880 international sellers of travel services with U.S. tourism.
- . In FY 1991, these offices handled 407,012 consumer requests and 185,906 trade inquiries.

- . President Bush taped a special video message inviting foreign visitors to come to the United States.
- . Finally, the Administration is working in the Uruguay Round of the General Agreement on Tariffs and Trade to formalate rules to liberalize trade in services, so Americans in the travel industry may compete under nondiscriminatory rules.

Working with the Private Sector

The public and private sectors came together in February 1991 to support GO*USA, led by Bill Marriott of the Marriott Corporation, to help overcome the lag in travel caused by the Gulf War. Now, an international marketing campaign of USTTA and the GO*USA coalition, now led by Jim Robinson of American Express, is seeking to strengthen our position in the competitive international marketplace.

- . In FY 1991, more than 5000 industry partners invested more than \$16 million in USTTA coordinated programs to market the U.S. as a travel destination. These programs included print and electronic media advertising, trade shows, tours, and literature.

(February 18, 1992)