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OA/ID Number: 13760
Folder ID Number: 13760-005

Folder Title:
Cal Tech Commencement 6/14/91 [OA 8324] [1]

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!R! CASS 1; EXIT;

May 2, 1991

MEMORANDUM FOR TONY SNOW

FROM: **MARY KATE GRANT**

SUBJECT: **OUTLINE FOR CAL TECH COMMENCEMENT ADDRESS**

I. Cal Tech intro

A. Cal Tech is on the cutting edge of research and development -- associated with Cal Tech departments of physics, computer science, engineering, etc. Many Nobel laureates and inventions from there. ((Do a few Cal Tech or science jokes.))

B. Cal Tech is at the forefront of the evolution of science from the visible domain of matter (classical physics) to the invisible sphere of quantum theory (modern physics). The microchip is the symbol of this, as its worth is derived not from the pennies' worth of sand it is made from, but from its potential for holding and transmitting huge amounts of data.

C. Evolution of science parallels the worldwide shift from goods and materials to ideas and information. Discuss the rise of the mind as source of wealth, as described by Gilder and Toffler.

II. This evolution brings us to the New American Century

A. 19th Century -- railroads and waterways were infrastructure, connected nation to frontier

B. 20th Century -- highway system led to urban growth and mobility of populace.

C. 21st Century -- information infrastructure will be foundation for economic growth and improve lives of Americans. We face an 'electronic frontier,' in which innovative applications of technology will be used to make the world a better, safer, healthier place. The road to this frontier is: EDUCATION. A phenomenon of this century is the universality of college education in America. We spend more on education than any other industrialized nation; we must now ensure that our schools are up to the challenge of the 21st Century. Plug for 'America 2000' strategy.

1. Just as American scientists improved the world before through medical breakthroughs, clean water systems, improved transportation, etc. in years before, American scientists can now apply already-existing technology to everyday life for all people, rich and poor:

2. Describe what a day in the future would be like if already existing/developing technology were applied: smart cars, telecommuting, health care brought to rural communities, educational opportunities for those far from schools, teleconferencing, etc. Cal Tech grads are the young scientists who will be leading the way. Technology could place the world at the fingertips of every American.

III. Challenge and Opportunities from the Pacific Rim

A. Already Japanese are ahead of us on fiber optics etc.

B. Opportunities for us exist through free trade. There is a debate raging now over Japanese model vs. American model: controlled economy and protectionism vs. laissez faire economy and free markets. Our R&D is the best in the world; so is our economic system of capitalism; so are our young people. We have the ability to outcompete anybody.

C. But we must first establish the new 21st Century infrastructure to connect the nation to the 'frontier.'

1. The basis of our competitiveness policy is education. More plugs for policies proposed.

2. The Administration has already proposed: smart cars/smart highway development; high performance computing and information program; and focusing federal R&D efforts on information and communications technologies like fiber optics.

3. The Administration believes in unleashing the private sector, increasing reliance on market forces, and breaking down barriers to investment. Examples: spectrum band auctioning, modified final judgement on ATT case; private satellites etc.

IV. Challenge to the Graduates

A. Summarize: We must build excellence at home in order to compete abroad: drug-free, crime-free, top-notch schools; tax code that encourages innovation, entrepreneurs; strong economic growth package; control in hands of parents. Pro-family agenda.

B. Competitiveness fight in the global arena will be won by Americans because historically, we have always won when the fight is fair and on the battleground of ideas. (No protectionism -- in our schools, in our markets, or in our ideas). Our greatest resource is human capital and our greatest opportunity program is a job. Now go get one!

# # #

Document No. 244831SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/10/91 ACTION/CONCURRENCE/COMMENT DUE BY: TUESDAY 6/11/91 3:00 p.

SUBJECT: PRESIDENTIAL REMARKS: CAL TECH COMMENCEMENT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	MCCLURE	☑	☐
SUNUNU	☐	☐	PETERSMEYER	☐	☐
SCOWCROFT	☑	☐	PORTER	☑	☐
DARMAN	☑	☐	ROGICH	☑	☐
BRADY	☐	☑	SMITH	☑	☐
BROMLEY	☑	☐	UNTERMEYER	☐	☐
CARD	☐	☑	BOSKIN	☑	☐
DEMAREST	☑	☐	ROGERS	☐	☑
FITZWATER	☐	☑	SNOW	☐	☑
GRAY	☑	☐		☐	☐
HOLIDAY	☑	☐		☐	☐

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 3:00 p.m., Tuesday, June 11, with a copy to this office. Thank you.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

Grant / Cawley
June 10, 1991
Draft two
A:CALTECH

91 JUN 10 PM 2:47

PRESIDENTIAL REMARKS: CAL TECH COMMENCEMENT
PASADENA, CALIFORNIA
FRIDAY, JUNE 14, 1991
10:00 A.M.

[Acknowledgements] ((It's a pleasure to be here at Cal Tech. However, my trip back to Washington will be delayed. /// Some of Cal Tech's finest reassembled **Air Force One** in the lobby of my **hotel.** //// Today isn't **Ditch Day**, is it?))

We celebrate today the centennial of Cal Tech. This institution has accomplished more in 100 years than many will accomplish in a millennium. Your students, professors and graduates have looked into the heart of the atom -- and gazed at stars billions of miles away. They have created new medicines and technologies; they have sent rockets hurtling into the heavens; they have redefined the sciences upon which modern technology -- and modern life -- depend. **Cal Tech's mission is outward-looking, its quest never-ending, and its path of discovery truly remarkable. ///**

Earlier this century, in the days of smokestacks and smelters, Henry Luce declared the advent of the American Century. He was right. And as this American Century draws to a close, we must declare the advent of the Next American Century. Today, ours is the era of microchips and M-TV. And ours is an economy increasingly based upon **knowledge** -- rather than on natural resources, cheap labor, or geographic location. As you well

know, here at Cal Tech, knowledge does not stand still ... it expands to fulfill the horizon. **My challenge to you today is one of fulfilling your own horizons, and with them, the horizons of all Americans.**

We are now on the verge of new voyage in the American experience. We are charting a fresh course for the unseen world. But to reach it, we will need a strong, swift current of new and exciting ideas. [[Cal Tech is providing many of them -- Nobel laureate Murray Gell-Mann is hard at work on this fall's symposium, "Visions of a Sustainable World," where your thinkers will look a hundred years into the future.]]

Thomas Aquinas once said that if the highest aim of a captain were to preserve his ship, he would keep it in safe harbor forever. Now, our imagination begins to explore the 21st Century, the time has come to leave port and set sail -- to the New World just beyond the horizon.

The Techers [Tekk-ers] who have explored new worlds -- whether the positron and the quark, or the fingerprint of the human gene, or the microcosm of the silicon chip -- these brilliant men and women understand the dynamics of solving a problem. But like them, you must fix your gaze on the distance and **seize opportunities** -- to possess that vision that will lead us into the 21st Century.

I think of the day I graduated from college. We were impatient, // optimistic, // ((bored with the speaker)) ... but we sensed a coming adventure. I suspect it's the same with you.

Only this time, you probably aren't thinking about becoming farmers, like Barbara and I were. My generation **built** our future. Yours will **propel destiny** with your **inventiveness,** your **ingenuity,** and your **imagination.**

I'm talking about the next frontier. In the 21st century, the power of the individual -- as well as the power of the nation -- will depend upon **knowledge.** Just as the writer Alvin Toffler predicted, a "power shift" is sweeping America. The economic battleground will be the labs and libraries, the bookshelves and computer screens across the country. ((I'm not talking about a **nation of nerds** here)) -- but whether you're in the military, at the market or on the mainframe, **knowledge will define power.**

Some call this The Third Wave ... or The Information Age ... or The New Age of Discovery. With apologies to Henry Luce, I like to call this challenge **the Next American Century.** And if we face this future foursquare, we will transform the nation. ///

Let me explain how we'll do it. First, **the free market can be a tremendous source of ingenuity.** With free markets and free people, creativity can be unleashed and the America Dream made alive. Take a look at the **good** some people are achieving: **Charles Richter and George Housner's** research has saved untold lives through their work on predicting and preparing for earthquakes. **Harry Gray's** research could lead to our harvesting energy from sunlight the same way plants do. And medical researcher **Pamela Bjorkman's** research may someday prevent diseases like arthritis and diabetes.

And take a look at all the creative entrepreneurs, the ones with that knack for know-how. In fact, I got a letter the other day from four Cal Tech grads who formed a company named "Gemstar." They'd heard me talk about our six National Education Goals to achieve excellence by the year 2000. I once joked that the seventh goal should be that by the turn of the century, Americans must be able to get their VCRs to stop flashing "12:00." /// I admit, I didn't think it was possible. /// But these young entrepreneurs quickly invented a device that sets the VCR clock correctly, and wrote to me: "[We] responded promptly to your national call for VCR-literacy by the year 2000, in fact, **nine years ahead of schedule."**//

With guys like these at work, there may be hope for those of us who are still novices in the age of technology. /// Like me, these guys like <u>what works</u>. Take our education strategy, for example -- called America 2000 -- it concentrates on **what works.** America 2000 **breaks the mold** -- because it's time we started measuring success by tests passed instead of dollars spent. Whether in our schools and child care centers, or our factories and neighborhoods, **government must be part of the solution -- not part of the problem.**

And good **can** result when government acts intelligently and programs show results -- like Head Start, where kids get the tools they need to start school ready to learn. That's a program this Administration <u>supports</u>. We like programs that work -- ones that use the free market as a model -- ones that **create**

opportunity for our citizens, not lock them out of the political process and make them wards of the state.

To match the wisdom of the free market, government must act intelligently. Bigger isn't better. Better is better. And so one hundred days ago today, I asked the Congress to tackle the urgent problems here at home with the same commitment we dedicated to tackling the crisis in the Persian Gulf. I asked for just two bills to be passed in a hundred days -- a comprehensive crime bill, and a transportation bill. These are bills that work. But they've been sitting there collecting dust longer than some Congressmen. /// Neither bill is on my desk yet, and the American people don't understand why. //

They don't understand what's so hard about enacting a bill to fight crime in a hundred days. They don't understand the delay, the inaction, the footdragging. Particularly when they see that Congress can pass a funding bill for the Lawrence Welk Museum ... and a fish farm in Arkansas ... and a new tour boat for American Samoa ... while threatening to cancel the Space Station Freedom. Last week, Congress nearly ~~cancelled~~ cut back the Second Golden Age of manned space exploration and its possibilities for new ~~exploration~~ discovery and the advancement of scientific ~~materials, new processes and new wonder drugs here on Earth.~~ knowledge.

After a difficult fight over funding for the Space Station Freedom, we return now to our broader mission: to call the people toward the higher good, the bigger picture, a greater adventure. We've done it before ... first carving a superpower out of the wilderness ... then creating the most prosperous, educated,

enlightened, nation ever on Earth ... and now reaching beyond our planet to the glory of Space.

But a manned space program alone is not enough.

Here at Cal Tech, your astronomers are exploring new worlds at Keck and Palomar; scientists can now use the world's fastest computer -- here, at the JPL labs -- to enable unmanned space missions to touch the furthest corners of the universe. ((I hear that the computer is so advanced, it can actually calculate the number of "Tommy's Burgers" you kids eat ... and it can reprogram the scoreboard at the Rosebowl even faster. ////)) ((But I do think it's great ... in fact, Cal Tech is one of the few schools in the country where "P.C." has always stood for "personal computer."))

To guarantee that the 21st Century is indeed the Next American Century, the forces of the free market and the government are not enough. They must be <u>combined</u> with something more: the brilliance of those who make a difference in the lives of others -- the ones I call Points of Light. The American people understand what it takes to solve problems in their own neighborhoods. They are the ones on the front lines of the war on drugs, the ones teaching others how to read, the ones taking care of AIDS babies after work at night. In the Next American Century, **all of us have a responsibility to lead.** The most important parts of our communities -- the union halls, the police clubs, the school groups, the chambers of commerce, everyone -- can use their power to solve problems. **Because there isn't a**

problem in America that isn't being solved somewhere -- and can't be solved <u>everywhere</u>.

Together, we may not right all wrongs, but we can try. Your education here at Cal Tech enables you to lead, to use your talents for the sake of our country, our communities and our children -- not just for yourself. Those of you who volunteered to help abused women and children at the Hestia House; or taught kids to read in Pasadena; or helped the boys and girls at Five Acres -- you have already begun to lead. You understand that with your diploma today comes a commitment to fulfill the horizons of **opportunity for all ... justice ... freedom ... and peace on Earth.**

Whether you are drawn to the magic of the marketplace, to the honor of public service, or the ethic of serving others, each of you holds the power to transform America. Your generation is charting our voyage into the Next American Century. **I join you in your quest for faraway places and salute your vision of worlds unseen.** God bless each and every one of you, and thank you.

# # #

I. First golden age of space in the 1960's was the greatest period of technological advancement was the world has ever known.

A. That is why I have proposed a renewed, revitalized civil space program,

B. Two great and clear goals:

1. A Mission to Planet Earth to better understand our home planet,

2. A Mission from Planet Earth to continue the great pioneering task which is America's destiny.

C. To achieve these goals we are strengthening our institutions, rebuilding our infrastructure and beginning development of the first new launch system in nearly 20 years.

II. The critical next step is Space Station Freedom.

A. Key to everything we are striving to accomplish in space.

1. It will be a laboratory for the advancement of scientific knowledge,

2. A starting point for exploration and discovery,

3. The greatest international scientific undertaking in history.

4. Provide the knowledge to enable people to routinely live and work in space.

B. Some have argued we can't afford to build the Space Station.

1. America is the world's #1 politico-economic power.

2. Certainly our means are as great today as they were when John Kennedy called on American's to explore the stars.

3. Our choice is whether to invest in the future as America did in the 1960's or whether to spend the money on near term consumption.

3. Investing in space <u>is</u> investing in the future.

4. It will inspire our youth, further our economic competitiveness and provide the symbol of America's technological preeminence for the next century.

5. Can't afford not to build a space station.

C. For these reasons, I am committed to a vigorous and forward-looking space program for America and I am committed to a permanently manned Space Station.

TECHERS IN COMMUNITY SERVICE

...IF YOU NEED A POINTS O LIGHT REFERENCE

* Community Skills Center
  job training, literacy, ESL

* Hestia House
  shelter for abused women and children

* Five Acres
  The Boys and Girls Aid Society of Los Angeles

* Union Station
  homeless shelter

* Pasadena Unified School District
  tutoring and homework assistance network

* YMCA of Tijuana Migrant Shelter
  students spend their spring breaks in Mexico

from Mary Webster, CalTech

June 14, 1991

ANSWERS TO QUESTIONS FROM MARLIN AND DAVE

-- Hatfield-McCoy pork barrel
Bob Nash, National Park Service 208-3084

Matewan is on the border of KY and WV -- there is a border area known for the feud, and Matewan falls within this area -- therefore it is legitimate for WV to get the $, though the feud was mostly in KY.

-- Total funding for Head Start
OMB -- $1.952 B
HeadStart Commissioner -- $1.958 B

-- What bills did fish farm and ferry boat pass on
Bob Billings -- American Conservative Union

"Dire Emergency Supplemental Bill" for El Salvador and Honduras. Bill began as $750 M in aid, increased to $4.3 B with prok

-- Total funding for the Space Station that was saved
Liz Prestridge, Space Council

$1.9 B was preserved in the amendment which passed, and the House approved

-- Total funding for R&D
Bob Grady

Passed: $76 billion =
$8 B increase =
13% increase over FY 91

- Acknowledgements
- Medicines
- living or dead (Richter ~1985)
- Bjorkman phonetic
- world's fastest computer

* - Harry trays ok to talk about

* Space Station — gen. all ok

P.S "debated cancelling" instead of "nearly cancelled"

Was it last wk that Cong cancelled funding for Sp Station?

- House only? > just House (full House debate & went against App. Com suggest that they cancel Sp. St.)
- week before? last TH
- been reinstated?
- would it bring possibilities for new materials, new processes + new wonder drugs? ('new knowledge which will benefit!...)

→ no firm guarantees key area is to det upon micro-gravity research & biomedical research @ long durations in space ←

→ Jim Beale x6175 (VP space council)

→ in context of speech its ok ←

VCR Plus+

→ does it set the clock as well?

Daniel Kwoh (VP)

Space Station

§ House Appropriations Committee recommended cutting Space Station funding. There was a full House debate which went against the Committee's recommendation. The funding allocated to the space station, however, came largely from funds previously assigned to unmanned research which is done primarily at JPL (so 'saving the space station' though a good thing, may not elicit the expected applause.)

- some mention of the importance of unmanned space research might be a good idea

Jet Propulsion Laboratories (JPL = unmanned space research etc.)

~~of atom~~

~~p. 32 IN Booklet~~

created
Medicines/technologies

~~rockets hurtling thru heavens p.~~ 377

p. 26 p. 10
~~positron/quark~~ p. 5-6

~~fingerprint of human gene~~ → when was 1941 declaration of Luce's AM. Cent (creation?) 1st

microcosm of silicon chip p. 6-7

(GP?)

- ~~Charles Richter~~/George Housner (Richter scale) → "Visions of Sustainable World" conf.

- ~~Harry Gray~~ → energy from sun do plants do

- ~~Pamela Bjorkman~~ research @ arthritis + diabetes

- ~~Aquinas (JAG)~~

- ~~Alvin Toffler (MKG)~~

~~Keck~~ Telescope ~~&/or Keck~~ observatory → p. 32
~~Keck~~ + Palomar

→ Letter (MKG) from CT entrepreneurs Gemstar/VCR plus+

~~Wild's fastest computer~~ ~~at JPL labs~~ p.
~~Keck + Hale telescopes~~ enable unmanned space missions - p. 31
to track furthest corners of universe

→ MKG - volunteers abused & kids who helped @ Hestia House or taught kids to read / 8th ♀ helped @ Stacia

Cal Tech Contacts

Mary Webster 818-356-6301
Exec Asst to Dr. Everhart (Cal Tech Pres)

↓ Need to fax 202/456-6218

* stage diagram

* just the name we need to recognize

- ~~is~~ an honorary degree of any kind? NO
  CalTech has long-standing tradition of not doing that.

→ "Visions of a Sustainable World" conference? (100 yrs → P.2 etc.)

✓ What is the Keck observatory called / What is Palomar Mt. called
(Keck telescope) (Hale telescope)
not operable yet (Jan 1992 opens) Oct '91 dedication of Keck I + groundbreaking for Keck II
Mauna Kea (name of Mt.) on Hawaii (Big Island)

* — Bjorkman (pronunciation)

* — Medicines? have they in fact created medicines?

* — World's fastest computer (~~here~~ on campus? (JPL part of consortium running it)) where is it?
& what do they use it for? *

(JP Labs not on campus)

GEMSTAR
Development Corporation

VCR Plus+

May 2, 1991

President George Bush
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Re: Commencement Speech at the California Institute of Technology

Dear President Bush

As a Caltech graduate, I was thrilled to learn that you will be the commencement speaker this June.

The purpose of this letter is to raise an interesting coincidence which may lend itself as a possible subject for inclusion in your commencement speech. It is about the now familiar subject of VCR blues, made famous by your statement of "*by the year 2,000, all Americans must be able to set the clocks on their VCRs*" and other more recent references on the difficulty of programming a VCR. Clearly, your sentiments strike a cord of resonance among the vast majority of Americans. According to a spokesman from Philips Consumer Electronics, some 80% of VCR owners cannot program their VCR, even though 70% of VCR buyers consider taping a television show the most important function of a VCR.

The *VCR Plus+*, a device which makes programming a VCR a one-step process as easy as dialing a telephone (key in the number printed in the television guide next to the program and you are done), was introduced back in November 1990 in cooperation with selected newspapers, including the *New York Times* and the *Los Angeles Times*. As of today, *PlusCodes* are printed by almost every major newspaper, including, for example, the *Washington Post*. By September, the total circulation carrying the *PlusCodes* will reach 45 million households nationwide. The product received instant acceptance by the consumers. It won the Popular Science Best of What's New Award and received rave reviews from leading consumer magazines. The founders were named Entrepreneurs of the Year by *Business Week*. The system will be adopted by American brand VCRs such as RCA, GE and Zenith in late 1991, picked up by other manufacturers in 1992, and made into a standard VCR feature.

The *VCR Plus+* story has some direct relevance to the Caltech commencement speech:

135 North Los Robles Avenue, Suite 870, Pasadena, California 91101 U.S.A. (818) 792-5700 Fax (818) 792-0257

GEMSTAR
Development Corporation

VCR Plus+

1. The product was invented by 4 Caltech graduates: Daniel Kwoh (Ph.D. 1976), Wilson Cho (B.S. 1973), Louise Wannier (B.S. 1978) and myself (Ph.D. 1973).

2. It is an example of American ingenuity recreating and recapturing the excitement in the consumer electronics industry, which has long been dominated by the Japanese.

3. The development of the product is an excellent example of combining science, engineering and law for peace-time applications.

4. The marketing strategy called for the bringing together of diverse industries such as publication, broadcast television, cable television, VCR manufacturers and blank-tape manufacturers, and succeeded in doing so within a record time against severe odds in an area where giants had fallen; for example, Matsushita (Panasonic) tried but failed in persuading the publications to carrying the bar-code when they attempted to push their bar-code model.

5. The product responded promptly to your national call for VCR-literacy by the year 2,000; in fact, 9 years ahead of schedule.

These interesting facts and occurrences, I think, can be translated to timely and encouraging messages to Caltech graduates regarding their potential contribution to increasing American competitiveness, reducing fear of technology, simplifying everyday life, concentrating on innovative scientific approach for peaceful applications, and finally, responding promptly to the call of their President. If you think this idea merits further consideration, I would be delighted to provide any further information.

Before ending, I would like to take this opportunity to thank you for all you did for this great nation. You have restored the prestige of the United States and made us prouder than ever to be an American.

Thank you very much for your time.

Sincerely yours

Henry C. Yuen
Chief Executive Officer

President Bush

Grant / Cawley
June 12, 1991
Draft four
A:CALTECH

PRESIDENTIAL REMARKS: CALTECH COMMENCEMENT
PASADENA, CALIFORNIA
FRIDAY, JUNE 14, 1991
10:00 A.M.

[Governor Wilson, thank you. Acknowledgements] ((It's a pleasure to be here at Caltech. However, my trip back to Washington will be delayed. /// Some of Caltech's finest reassembled **Air Force One** in the lobby of my **hotel.** //// Today isn't **Ditch Day**, is it?))

We celebrate today the centennial of Caltech. This institution has accomplished astonishing things in its 100 years. Your students, professors and graduates have peered into the heart of the atom -- and gazed out at stars billions of miles away. They have inspired new medicines and biotechnologies; they have hurled rockets into the heavens; they have helped redefine the sciences upon which modern technology -- and modern life -- depend. **Caltech's mission is outward-looking, its quest never-ending, and its path of discovery remarkable. ///**

We ~~are~~ now stand on the verge of a new voyage in the American experience -- charting a fresh course to a world of unseen possibilities and promise. But to reach it, we will need a strong, swift current of ideas. Thomas Aquinas once said that if the highest aim of a captain were to preserve his ship, he would stay in safe harbor forever. Now, as our imagination mulls

over the prospects for the 21st Century, the time has come to leave port and set sail -- to the New World beyond.

Many Techers [Tekk-ers] have already explored new worlds -- worlds of the positron and the quark, the fingerprint of the human gene, and the microcosm of the silicon chip. These brilliant men and women understood the architecture of a problem -- and they knew how to navigate the maze of possibilities that stood between them and a solution. Like them, you think about the opportunities -- not the obstacles -- that lie ahead.

I think of the day I graduated from college. We were impatient, // optimistic, // ((bored with the speaker)) ... but we sensed a coming adventure. I suspect it's the same with you. Only this time, you probably aren't thinking about becoming farmers, like Barbara and I were. My generation **built** our future, with mortar, brick and machinery. Yours will **send us soaring toward our new destiny** with **innovation, ingenuity,** and **imagination.**

Earlier this century, Henry Luce declared this "The American Century." In his time, that future consisted of smelters and smokestacks -- heavy, productive industries. And as this American Century draws to a close, ~~we live in~~ an age of microchips and M-TV. ~~Ours~~ economy depends increasingly upon **knowledge** -- rather than on natural resources or geographic location. As you well know, knowledge never stands still ... it expands beyond the horizon. **My challenge to you today is to push**

beyond today's horizons and create new, more distant horizons for our future.

This is the next frontier. In the 21st century, the power of the individual -- as well as the power of the nation -- will depend upon **knowledge.** We will do economic battle in labs and libraries, and miracles will germinate in bookshelves and on computer screens across the country. Whether you're in the military, at the market or on the mainframe, **knowledge will define opportunity.**

Some call this The Third Wave ... or The Information Age ... or The New Age of Discovery. With a nod to Henry Luce, I believe this serves as the cornerstone for **the Next American Century.** If we face this future foursquare -- if we accept the call to unleash our imaginations -- we will transform the nation. We will transform the world.///

We begin with **the free market, the powerhouse of ingenuity.** Free markets and free people breathe life into the America Dream. Look at the **good** people can achieve: **Charles Richter and George Housner's** research has saved untold lives through their work on predicting and preparing for earthquakes. **Harry Gray's** research could lead to our harvesting energy from sunlight the same way plants do. And medical researcher **Pamela Bjorkman's** research may someday prevent such diseases as arthritis and diabetes.

Look at all the creative entrepreneurs, the ones transforming basic research into new products -- the ones with that knack for know-how. I got a letter the other day from four

Caltech grads who formed a company named "Gemstar." They'd heard me talk about our six National Education Goals to achieve excellence by the year 2000. I once joked that the seventh goal should be that by the turn of the century, Americans must be able to get their VCRs to stop flashing **"12:00."** /// I admit, I didn't think it was possible. /// But this team of upstarts invented a device that solves the VCR clock-problem easily. They wrote: "[We] responded promptly to your national call for VCR-literacy by the year 2000, in fact, **nine years ahead of schedule."**//

With guys like these, there may be hope for guys like me, still struggling in the age of technology. /// Their kind of entrepreneurship helped make our nation prosperous and great. This kind of can-do spirit -- this expression of natural American creativity -- will make our new education strategy work. America 2000, as we call it, summons the nation to create a New Generation of American Schools -- schools that break the mold, schools where all students reach World Class Standards of performance in English, science, mathematics, history and geography. It's time we started measuring success by something other than dollars spent. Let's not ask ourselves: What costs? Let's ask: What works?

Whether in our schools and child care centers, or our factories and neighborhoods, we must ensure that **government is part of the solution -- not part of the problem.**

This Administration has rewarded programs in which government acts intelligently and programs produce results. Head Start, where kids get the tools they need to start school ready to learn, works -- and we support it. We have requested a $750 million funding increase for Head Start.

We advocate programs that employ free-market incentives -- like our tax credits for low-income parents to choose their own child care -- because they use human nature as a lever, not an obstacle. We support initiatives that **create opportunity** -- like our housing vouchers for public housing tenants. Our HOPE inititiave tries to give public housing citizens greater control over their lives and their futures.

We in government must understand: ~~When people's lives and earnings are at stake,~~ **bigger** isn't better. **Better** is better. And so one hundred days ago today, I asked the Congress to tackle the urgent problems here at home with the same commitment we dedicated to tackling the crisis in the Persian Gulf. I asked it to pass just two bills in a hundred days -- a comprehensive crime bill, and a transportation bill. These bills would work. But they've been collecting dust longer than some members of Congress. /// Neither bill has reached my desk -- **and the American people don't understand why.** //

They don't understand what's so hard about passing ~~in 100 days a bill~~ a bill in 100 days to fight crime ~~in a hundred days~~. They don't understand the delay, the inaction, the footdragging. Particularly when they see that Congress can pass a funding bill

for a fish ~~farm~~ refuge in ~~Arkansas~~ Iowa and a ferry boat in Samoa ... while threatening to cancel the manned space program and the Space Station Freedom. Last week, a Congressional Committee nearly cancelled the Second Golden Age of space exploration and its possibilities for new knowledge, new technologies, and whole new industries here on Earth. The Space Station survived -- not, as some believe, at the expense of science. Science and space must be partners in the budget wars -- both vital **investments in the future.**

We must invest now in a brighter future. That's why our Administration fully supports high performance computing, and math and science education. We're also proposing a thirteen percent increase -- $76 billion -- for research and development. We want to increase funding for the supercollider by more than 100 percent. Government and the free market often converge in the field of basic research. Together, they help produce a brighter future for all Americans. And that's why our commitment to it is so strong.

Most Americans find Beltway bickering mystifying -- and they should. We ought to think of nobler issues and purposes. ~~Beltway bickering must be a mystery to most Americans.~~ We must call upon our higher aspirations. We've done it before ... first carving a superpower out of the wilderness ... then creating the most prosperous, educated society on Earth ... and now reaching beyond our planet to the glory of Space.

With the telescopes on Mount Palomar and with the Keck Telescopes in Hawaii, your astronomers are looking farther than mankind has looked before. Your JPL labs enable unmanned space missions such as the Pioneers and Voyagers to touch the distant boundaries of our solar system.

And here in Pasadena, scientists can now use the world's fastest computer. ((I hear that the computer is **so** advanced, it can actually calculate the number of **"Tommy's Burgers"** you all eat ... and it can reprogram the scoreboard at the Rosebowl **even faster.** ////)) ((But I do think it's great ... Caltech is one of the few schools in the country where "P.C." has **always** stood for "personal computer."))

To guarantee that the 21st Century becomes the Next American Century, we must combine the might of the free market and intelligent government with something else: the brilliance of those who make a difference in the lives of others -- including the ones I call Points of Light.

We know what it takes to solve problems in our own neighborhoods. Some among us have decided to step to the front lines of the war on drugs; they have taken time to teach others to read; they have volunteered to care for AIDS babies after work at night.

In the Next American Century, **all of us will have a responsibility to lead.** Each part of our communities -- the union halls, the police clubs, the chambers of commerce, parents, teachers, everyone -- can use their power to solve problems.

Douglas Klafter
245 0572

Because there isn't a problem in America that isn't being solved
X **~~addressed~~ somewhere.**

Your education here at Caltech enables you to lead, to use your talents for the sake of our country, our communities and our children. Those of you who volunteered to help abused women and children at the Hestia House; or taught kids to read in Pasadena; or helped the boys and girls at Five Acres -- you have accepted the challenge. You understand that with your diploma today comes a commitment to reach the horizons of **justice and opportunity, freedom and peace.**

Whether you are drawn to the magic of the marketplace, to the honor of public service, or to the ethic of serving others, each of you can help build an America whole and good. Your generation will map our voyage into the Next American Century. **I join you in your quest for faraway places and salute your vision of worlds unseen.** God bless each and every one of you, and thank you.

# # #

- ~~Acknowledgements~~
- ~~meardines~~ ?
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- ~~Bjorkman phonetic~~
- Intro of POTUS
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Grant / Cawley
June 10, 1991
Draft two
A:CALTECH

PRESIDENTIAL REMARKS: CAL TECH COMMENCEMENT
PASADENA, CALIFORNIA
FRIDAY, JUNE 14, 1991
10:00 A.M.

[Acknowledgements] ((It's a pleasure to be here at Cal Tech. However, my trip back to Washington will be delayed. /// Some of Cal Tech's finest reassembled **Air Force One** in the lobby of my **hotel.** //// Today isn't **Ditch Day**, is it?))

Imagination of Nature Booklet, cover

We celebrate today the centennial of Cal Tech. This institution has accomplished more in 100 years than many will accomplish in a millennium. Your students, professors and graduates have looked into the heart of the atom -- and gazed at stars billions of miles away. They have created new medicines and technologies; they have sent rockets hurtling into the heavens; they have redefined the sciences upon which modern technology -- and modern life -- depend. **Cal Tech's mission is outward-looking, its quest never-ending, and its path of discovery truly remarkable. ///**

Imagination of Nature Booklet P. 10, P. 32, P. —, P. 3

no

OK

Earlier this century, in the days of smokestacks and smelters, Henry Luce declared the advent of the American Century. He was right. And as this American Century draws to a close, we must declare the advent of the Next American Century. Today, ours is the era of microchips and M-TV. And ours is an economy increasingly based upon **knowledge** -- rather than on natural resources, cheap labor, or geographic location. As you well

OK

know, here at Cal Tech, knowledge does not stand still ... it expands to fulfill the horizon. **My challenge to you today is one of fulfilling your own horizons, and with them, the horizons of all Americans.**

We are now on the verge of new voyage in the American experience. We are charting a fresh course for the unseen world. But to reach it, we will need a strong, swift current of new and exciting ideas. [[Cal Tech is providing many of them -- Nobel laureate Murray Gell-Mann is hard at work on this fall's symposium, "Visions of a Sustainable World," where your thinkers will look a hundred years into the future.]]

Thomas Aquinas once said that if the highest aim of a captain were to preserve his ship, he would keep it in safe harbor forever. Now, our imagination begins to explore the 21st Century, the time has come to leave port and set sail -- to the New World just beyond the horizon.

The Techers [Tekk-ers] who have explored new worlds -- whether the positron and the quark, or the fingerprint of the human gene, or the microcosm of the silicon chip -- these brilliant men and women understand the dynamics of solving a problem. But like them, you must fix your gaze on the distance and **seize opportunities** -- to possess that vision that will lead us into the 21st Century.

I think of the day I graduated from college. We were impatient, // optimistic, // ((bored with the speaker)) ... but we sensed a coming adventure. I suspect it's the same with you.

Only this time, you probably aren't thinking about becoming farmers, like Barbara and I were. My generation **built** our future. Yours will **propel destiny** with your **inventiveness,** your **ingenuity,** and your **imagination.**

I'm talking about the next frontier. In the 21st century, the power of the individual -- as well as the power of the nation -- will depend upon **knowledge.** Just as the writer Alvin Toffler predicted, a "power shift" is sweeping America. The economic battleground will be the labs and libraries, the bookshelves and computer screens across the country. ((I'm not talking about a **nation of nerds** here)) -- but whether you're in the military, at the market or on the mainframe, **knowledge will define power.**

Some call this The Third Wave ... or The Information Age ... or The New Age of Discovery. With apologies to Henry Luce, I like to call this challenge **the Next American Century.** And if we face this future foursquare, we will transform the nation. ///

Let me explain how we'll do it. First, **the free market can be a tremendous source of ingenuity.** With free markets and free people, creativity can be unleashed and the America Dream made alive. Take a look at the **good** some people are achieving: **Charles Richter and George Housner's** research has saved untold lives through their work on predicting and preparing for earthquakes. **Harry Gray's** research could lead to our harvesting energy from sunlight the same way plants do. And medical researcher **Pamela Bjorkman's** research may someday prevent diseases like arthritis and diabetes.

And take a look at all the creative entrepreneurs, the ones with that knack for know-how. In fact, I got a letter the other day from four Cal Tech grads who formed a company named "Gemstar." They'd heard me talk about our six National Education Goals to achieve excellence by the year 2000. I once joked that the seventh goal should be that by the turn of the century, Americans must be able to get their VCRs to stop flashing "12:00." /// I admit, I didn't think it was possible. /// But these young entrepreneurs quickly invented a device that sets the VCR clock correctly, and wrote to me: "[We] responded promptly to your national call for VCR-literacy by the year 2000, in fact, **nine years ahead of schedule.**"//

With guys like these at work, there may be hope for those of us who are still novices in the age of technology. /// Like me, these guys like what works. Take our education strategy, for example -- called America 2000 -- it concentrates on **what works.** America 2000 **breaks the mold** -- because it's time we started measuring success by tests passed instead of dollars spent. Whether in our schools and child care centers, or our factories and neighborhoods, **government must be part of the solution -- not part of the problem.**

And good **can** result when government acts intelligently and programs show results -- like Head Start, where kids get the tools they need to start school ready to learn. That's a program this Administration supports. We like programs that work -- ones that use the free market as a model -- ones that **create**

opportunity for our citizens, not lock them out of the political process and make them wards of the state.

To match the wisdom of the free market, **government must act intelligently.** **Bigger** isn't better. **Better** is better. And so one hundred days ago today, I asked the Congress to tackle the urgent problems here at home with the same commitment we dedicated to tackling the crisis in the Persian Gulf. I asked for just two bills to be passed in a hundred days -- a comprehensive crime bill, and a transportation bill. These are bills that work. But they've been sitting there collecting dust longer than some Congressmen. /// Neither bill is on my desk yet, **and the American people don't understand why.** //

March 6, '91 to Jt. Session

They don't understand what's so hard about enacting a bill to fight crime in a hundred days. They don't understand the delay, the inaction, the footdragging. Particularly when they see that Congress ~~can~~ $25 for franking pass a funding bill for the Lawrence Welk Museum ... and a fish farm in Arkansas ... and a new ~~tour~~ ferry boat ~~for~~ in ~~American~~ Samoa ... while threatening to cancel the Space

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American Conservative Union
546-6555
"Pork Rating Index"

- ferry boat in Samoa – 284/123 on 3/24/91
- Iowa fish refuge – 246/160 on 5/24/91

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enlightened, nation ever on Earth ... and now reaching beyond our planet to the glory of Space.

Here at Cal Tech, your astronomers are exploring new worlds at Keck and Palomar; scientists can now use the world's fastest computer -- here, at the JPL labs -- to enable unmanned space missions to touch the furthest corners of the universe. ((I hear that the computer is **so** advanced, it can actually calculate the number of "Tommy's Burgers" you kids eat ... and it can reprogram the scoreboard at the Rosebowl **even faster.** ////)) ((But I do think it's great ... in fact, Cal Tech is one of the few schools in the country where "P.C." has **always** stood for "personal computer."))

To guarantee that the 21st Century is indeed the Next American Century, the forces of the free market and the government are not enough. They must be combined with something more: the brilliance of those who make a difference in the lives of others -- the ones I call Points of Light. The American people understand what it takes to solve problems in their own neighborhoods. They are the ones on the front lines of the war on drugs, the ones teaching others how to read, the ones taking care of AIDS babies after work at night. In the Next American Century, **all of us have a responsibility to lead.** The most important parts of our communities -- the union halls, the police clubs, the school groups, the chambers of commerce, everyone -- can use their power to solve problems. **Because there isn't a**

problem in America that isn't being solved somewhere -- and can't be solved <u>everywhere</u>.

Together, we may not right all wrongs, but we can try. Your education here at Cal Tech enables you to lead, to use your talents for the sake of our country, our communities and our children -- not just for yourself. Those of you who volunteered to help abused women and children at the Hestia House; or taught kids to read in Pasadena; or helped the boys and girls at Five Acres -- you have already begun to lead. You understand that with your diploma today comes a commitment to fulfill the horizons of **opportunity for all ... justice ... freedom ... and peace on Earth.**

info from Mary Webster

Whether you are drawn to the magic of the marketplace, to the honor of public service, or the ethic of serving others, each of you holds the power to transform America. Your generation is charting our voyage into the Next American Century. **I join you in your quest for faraway places and salute your vision of worlds unseen.** God bless each and every one of you, and thank you.

# # #

Grant / Cawley
June 11, 1991
Draft three
A:CALTECH

PRESIDENTIAL REMARKS: CALTECH COMMENCEMENT
PASADENA, CALIFORNIA
FRIDAY, JUNE 14, 1991
10:00 A.M.

[Governor Wilson, thank you. Acknowledgements] ((It's a pleasure to be here at Caltech. However, my trip back to Washington will be delayed. /// Some of Caltech's finest reassembled **Air Force One** in the lobby of my **hotel**. //// Today isn't **Ditch Day**, is it?))

We celebrate today the centennial of Caltech. This institution has accomplished more in 100 years than many accomplish in a millennium. Your students, professors and graduates have peered into the heart of the atom -- and focused their gaze on stars billions of miles away. They have inspired new medicines and biotechnologies; they have hurtled rockets into the heavens; they have helped redefine the sciences upon which modern technology -- and modern life -- depend. **Caltech's mission is outward-looking, its quest never-ending, and its path of discovery truly remarkable. ///**

We are now on the verge of a new voyage in the American experience, charting a fresh course for the unseen world. But to reach it, we will need a strong, swift current of new and exciting ideas. Thomas Aquinas once said that if the highest aim of a captain were to preserve his ship, he would stay in safe harbor forever. Now, as our imagination begins to encounter the

21st Century, the time has come to leave port and set sail -- to the New World just beyond the horizon.

Many Techers [Tekk-ers] have already explored new worlds -- worlds of the positron and the quark, the fingerprint of the human gene, and the microcosm of the silicon chip. These brilliant men and women understood the dynamics of solving a problem. And, like them, you too must fix your gaze on the distance and **seize opportunities** -- to lead us into the next millennium.

I think of the day I graduated from college. We were impatient, // optimistic, // ((bored with the speaker)) ... but we sensed a coming adventure. I suspect it's the same with you. Only this time, you probably aren't thinking about becoming farmers, like Barbara and I were. My generation **built** our future, with mortar, brick and machinery. Yours will **propel destiny** with **innovation, ingenuity,** and **imagination.**

Earlier this century, Henry Luce declared this "The American Century." He was right. And as this American Century draws to a close, we must now look forward to the 21st Century. Today, ours is an economy increasingly based upon **knowledge** -- rather than on natural resources, cheap labor, or geographic location. As you well know, knowledge never stands still ... it expands beyond the horizon. **My challenge to you today is one of expanding beyond your own horizons, and beyond the horizons of all Americans.**

This is the next frontier. In the 21st century, the power of the individual -- as well as the power of the nation -- will

depend upon **knowledge.** The economic battleground will be the labs and libraries, the bookshelves and computer screens across the country. Whether you're in the military, at the market or on the mainframe, **knowledge will define power.**

Some call this The Third Wave ... or The Information Age ... or The New Age of Discovery. With a nod to Henry Luce, I believe this is the challenge of **the Next American Century.** And if we face this future foursquare, we will transform the nation. ///

We begin with **the free market, the powerhouse of ingenuity.** Free markets and free people unleash creativity and the breathe life into the America Dream. Look at the **good** people can achieve: **Charles Richter and George Housner's** research has saved untold lives through their work on predicting and preparing for earthquakes. **Harry Gray's** research could lead to our harvesting energy from sunlight the same way plants do. And medical researcher **Pamela Bjorkman's** research may someday prevent diseases like arthritis and diabetes.

Look at all the creative entrepreneurs, the ones transforming basic research into new products -- the ones with that knack for know-how. I got a letter the other day from four Caltech grads who formed a company named "Gemstar." They'd heard me talk about our six National Education Goals to achieve excellence by the year 2000. I once joked that the seventh goal should be that by the turn of the century, Americans must be able to get their VCRs to stop flashing **"12:00."** /// I admit, I didn't think it was possible. /// But this team of upstarts

quickly invented a device that solves the VCR clock-problem easily. They then wrote to me: "[We] responded promptly to your national call for VCR-literacy by the year 2000, in fact, **nine years ahead of schedule."**//

With guys like these, there may be hope for guys like me, still struggling in the age of technology. /// Theirs is the kind of entrepreneurship that helped make this nation what we are today. And it is this kind of can-do spirit that will make our new education strategy work. America 2000, as we call it, summons the best minds in America to one of our great challenges: to create a New Generation of American Schools -- schools that break the mold, schools where all students reach World Class Standards of performance in English, science, mathematics, history and geography. It's time we started measuring success by something other than dollars spent -- and instead, by something called <u>results</u>.

Whether in our schools and child care centers, or our factories and neighborhoods, we must also ensure that **government is part of the solution -- not part of the problem.**

When government acts intelligently and **programs show results** -- like Head Start, where kids get the tools they need to start school ready to learn -- that's where this Administration increased our efforts. We like **programs that work.** Ones that use the **free market as a model** -- like our tax credits for low-income parents to choose their own options for child care. And ones that **create opportunity** -- like our housing vouchers for

public housing tenants, to free them from the trap of life in the projects.

To match the wisdom of the free market, **government must understand this: Bigger** isn't better. **Better** is better. And so one hundred days ago today, I asked the Congress to tackle the urgent problems here at home with the same commitment we dedicated to tackling the crisis in the Persian Gulf. I asked for just two bills to be passed in a hundred days -- a comprehensive crime bill, and a transportation bill. These are bills that work. But they've been sitting there collecting dust longer than some Congressmen. /// Neither bill is on my desk yet, **and the American people don't understand why. //**

They don't understand what's so hard about enacting a bill to fight crime in a hundred days. They don't understand the delay, the inaction, the footdragging. Particularly when they see that Congress can pass a funding bill for a fish farm in Arkansas and a ferry boat in Samoa ... while threatening to cancel the manned space program and the Space Station Freedom.

Last week, a Congressional Committee nearly cancelled the Second Golden Age of space exploration and its possibilities for new knowledge, new technologies, and whole new industries here on Earth. The Space Station was saved -- not, as some believe, at the expense of science. No, science and space must be partners in the budget wars -- both vital **investments in the future.**

We must invest now in this brighter future -- in high performance computing, in math and science education, in

reasearch and development. These are the kinds of investments I've called for in my budget -- and they should not be sacrificed on the altar of current consumption.

This bickering within the Beltway must be a mystery to most Americans. I believe a more noble purpose awaits us. We must call upon America's higher aspirations. We've done it before ... first carving a superpower out of the wilderness ... then creating the most prosperous, educated society on Earth ... and now reaching beyond our planet to the glory of Space.

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1ST STORY of Level 1 printed in FULL format.

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The Washington Times

October 31, 1990, Wednesday, Final Edition

SECTION: Part A; NATION; INSIDE THE BELTWAY; Pg. A6

LENGTH: 932 words

Samoa & franking

BYLINE: John Elvin; THE WASHINGTON TIMES

BODY:

Stirring it up

The fuss over White House policy regarding concerns of the evangelical right hasn't gone away. A group of President Bush's original supporters, who gave him a strong endorsement in 1988, has issued a statement urging him "to resist the faulty advice of your White House staff and return to the principles" that guided his campaign.

"We want you to know your staffers are still saying that what we do or think doesn't matter," the group said. "This is an insult."

The group expresses grave concern for the actions of Budget Director Richard Darman. "His arbitrary insistence for taxes and his arrogance in representing you is not worthy of your style or commitment to the voters. This is not George Bush," they said.

And, the group insists, the "wrong persons" are winning the cultural war on the White House staff. "We want you to know that you are not well served by staffers such as Bobbie Kilberg and David Demarest," the group said, charging those two staffers with inviting "the ACLU, Playboy magazine, the National Gay & Lesbian Task Force, the Washington Blade, and other extremist, anti-family organizations" to the White House.

The group said "millions of Americans are confused and bewildered" because Playboy magazine was invited to the White House but Mr. Bush's staff "refuses to even meet with the newly elected leaders of the Southern Baptist Convention, the largest Protestant denomination in America."

Signers of the statement include Ed McAteer, founder of the Religious Right activist group; Jack Stanton, first vice president of the Southern Baptist Convention; Bill Carmichael, publisher of Virtue magazine; Nathan Urshon, general superintendent of the United Apostolic Churches; Kathryn Boggs; and Bob Hawkins.

GOP uprising

These are not the best of times for the White House, which is orchestrating love-ins at which administration and Republican National Committee loyalists pledge their fealty to Mr. Bush. One sore spot is the National Republican Congressional Committee, where Co-chairman Ed Rollins has been urging candidates to emphasize their differences with the prez.

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(c) 1990 The Washington Times, October 31, 1990

Now comes news that Rep. Don Sundquist, Tennessee Republican, is making a bid to replace Michigan GOP Rep. Guy Vander Jagt as Mr. Rollins' co-chairman at the NRCC. The White House Bulletin said Mr. Sundquist met over the weekend with White House Chief of Staff John Sununu, known to be after Mr. Rollins' scalp. The report said the meeting did not necessarily imply White House support for the insurgency. Mr. Sundquist is said to have already rallied the "'92 Group" of moderate and liberal Republicans behind him.

Not a complete bust

One thing Soviet envoy Yevgeny Primakov won't be coming home to in Moscow is a bust of free market economist F.A. Hayek.

CATO Institute top man Ed Crane gave Mr. Primakov, a senior member of the Gorbachev Cabinet, the Hayek bust last month during a brief ceremony in the official conference room of the Communist Party Central Committee at the plush Oktyabrskaya Hotel. Mr. Hayek was one of a small band of economists who stood eloquent against the vogue of Communism in the 1930s and 1940s, arguing a "planned" economy not only couldn't work but would suppress human liberty.

"Hayek was right and Marx was wrong," Mr. Crane told Mr. Primakov.

The message was apparently too much for Mr. Primakov, who was last seen engaging in Middle East shuttle diplomacy, to digest. The bust now rests in the Kremlin offices of Stanislav Shatalin, the principal author of the controversial 500-day plan for turning the Soviet economy into a market system.

Avoid the rush

Congress may be slow to act on some things but there are exceptions. One of our Beltway Irregulars reports that just after passage of the "tax and spend" package, including, of course, the increase in excise taxes on liquor, House Minority Leader Bob Michel, Illinois Republican, was spotted loading up at a Capitol Hill liquor store. By "loading up" we don't mean getting tanked, but rather that it took a two-wheeled hand truck to carry the bulk purchases out to his waiting limo.

Giving them gas

State Department mid-level bureaucrats are saying President Bush will veto the Export Administration Act because of the section that includes imposing sanctions against countries and companies that deal in chemical weapons. The State officials say the President needs more "selectivity" in how sanctions are imposed. While the act contains a broad waiver for countries, it is tough on companies. "They're pushing for the veto even as our troops in the Mideast face poison gas," our concerned source said. "Other agencies are trying to get him to sign it, and everybody's hoping cool heads at the White House will prevail."

A slice of pork

American Conservative Union's "Pork Rating Index" focuses on the feeding frenzy associated with a "dire emergency funding supplemental bill" that went through the House. "Just a typical bit of legislation on a typical day in Congress, " said ACU's Bob Billings. Some 33 additional amendments were tacked on to the legislation aimed at helping Nicaragua and El Salvador, ranging from

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funding for a defunct ferry boat in Samoa to addition of $25 million to franking privileges. "It's just a snapshot view of how Congress really works," Mr. Billings said, adding that the report is free and may be obtained by calling ACU at (202) 546-6555.

GRAPHIC: Photo, Ed Crane very likely gave the bust of F.A. Hayek to the wrong Soviet.

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Carolyn -

Andy Sig called re the reference to "Visions of a Sustainable World" Conference — the reference is fine & factually correct, but he wants us to be sure it isn't a far out GREEN or other "P.C." — type theme. I'll check to see what the theme/political position of the conference is because I may be able to find a source (Paul MacCready — the name I gave MK Monday) before California Office Hours Wed.

ST. THOMAS AQUINAS

ON KINGSHIP

TO THE KING OF CYPRUS

DONE INTO ENGLISH

by

GERALD B. PHELAN

(Under the title *On the Governance of Rulers*)

REVISED WITH INTRODUCTION AND NOTES

by

I. TH. ESCHMANN, O.P.

THE PONTIFICAL INSTITUTE OF MEDIAEVAL
STUDIES, TORONTO, CANADA, 1949

from QE Toast
5/14-5/16

CHAPTER III (I, 14)

That the Office of Governing the Kingdom Should Be Learned From the Divine Government

[102] Just as the founding of a city or kingdom may suitably be learned from the way in which the world was created, so too the way to govern may be learned from the divine government of the world.

[103] Before[1] going into that, however, we should consider that to govern is to lead the thing governed in a suitable way towards its proper end. Thus a ship is said to be governed when, through the skill of the pilot, it is brought unharmed and by a direct route to harbour. Consequently, if a thing be directed to an end outside itself[2] (as a ship to the harbour), it is the governor's duty, not only to preserve the thing unharmed, but further to guide it towards this end. If, on the contrary, there be a thing whose end is not outside itself, then the governor's endeavours will merely tend to preserve the thing undamaged in its proper perfection.

[104] Nothing of this kind is to be found in reality, except God Himself, Who is the end of all. However, as concerns the thing which is directed to an end outside itself, care is exercised by different providers in different ways. One might have the task of preserving a thing in its being, another of bringing it to a further perfection. Such is clearly the case in the example of the ship; (the first meaning of the word *gubernator* [governor] is *pilot.*) It is the carpenter's business to repair anything which might be broken, while the pilot

[1] See Introduction p. xix.
[2] Aristotle, *Metaph. Lambda* 10: 1075a 11 sqq. *In Met.* XII, 12: 2627.

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IN THE ARENA

A MEMOIR OF VICTORY, DEFEAT, AND RENEWAL

RICHARD NIXON

SIMON AND SCHUSTER
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would have undoubtedly been drafted as a candidate in 1964 and lost to Lyndon Johnson, since no one had a chance to beat him after Kennedy's assassination. Had I not run for governor at all, I probably would have run for President in 1964. If that had happened, I would probably have lost the nomination to Barry Goldwater and would certainly have lost to Johnson in the general election. I would then have been in the position of Tom Dewey, who despite his great abilities was finished after two straight losses in campaigns for the White House.

There is no question that running for governor was a bad risk. But the road to victory is sometimes paved with defeat. By running and losing, I stayed on the sidelines in 1964 and was able to regroup and run again for the Presidency in 1968.

Because I won in 1968, you might assume that it was the year I took the smallest risk. In fact, it could well have been the greatest. After the Republican victories in the races for House, Senate, and governor in 1966, the field of potential candidates for President expanded explosively almost overnight. Had I not played my hunch of going against the advice of my supporters and taken a moratorium from politics for six months in 1967, it is likely that I would have been chewed up in the early skirmishing for the nomination. In that case, either Nelson Rockefeller or Ronald Reagan might have been nominated. Instead, the pieces fell into place, and this time both luck and the vote count were on my side.

In politics more than in any other profession, the risks worth taking are those where the odds are great. The more you risk if you lose, the more you stand to gain if you win. Nothing great can be accomplished without taking great risks. You should consult a lawyer only if you want to know what risks *not* to take. Lawyers are experts on how not to do something. They play it safe. They seldom will advise you to take a risk. In determining what risks to take, you must never be obsessed by what you might lose. You must always keep front and center what you might gain.

Those who choose politics as a career are embarking on a perilous voyage. But they should always remember the words of St. Thomas Aquinas seven centuries ago: "If the highest aim of a captain were to preserve his ship, he would keep it in port forever."

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Office of Educational Research and Improvement

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Carolyn -

For further information on international comparisons, contact the Center for International Education at 202-708-7283.

Rick

Table 361.—Public expenditures for education as a percent of gross national product: Selected countries, 1960 to 1987

Country	1960	1970	1975	1979	1980	1981	1982	1983	1984	1985	1986	1987
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	2.9	4.2	[1] 5.5	5.9	[1] 5.9	5.9	[1] 5.9	[1] 6.3	[1] 6.1	[1] 5.9	5.8	—
Canada	[2] 4.6	6.9	[1] 7.6	7.7	[1] 7.3	7.8	8.3	7.7	7.2	7.0	7.4	7.2
Chile	[3] 2.7	5.1	4.1	3.8	4.6	5.4	[1] 5.7	[1] 4.9	[1] 4.8	[1] 4.4	—	3.6
France	[4] 2.4	4.9	5.2	—	[1] 5.0	5.6	5.8	[1] 5.8	[1] 5.8	5.8	5.7	—
Germany, Federal Republic of	—	[1] 3.5	5.1	4.6	4.7	4.7	4.6	[1] 4.8	4.6	[1] 4.5	4.4	—
Hungary [5]	4.4	4.4	4.1	4.1	4.7	5.1	5.0	5.8	5.4	5.4	5.7	5.6
Italy	[6] 3.6	4.0	[1] 3.9	[1] 4.4	—	—	—	[1] 4.8	[3] 4.0	[3] 4.0	[3] 4.0	—
Japan	4.1	3.9	5.5	5.8	[1] 5.8	5.9	[1] 5.6	5.6	5.2	5.1	5.0	—
Mexico	[2,3] 1.3	2.4	[1] 3.6	4.0	[3] 3.0	[1,3] 4.2	[3] 4.3	[3] 2.8	[1,3] 2.5	[1,3] 3.9	[1,3] 3.8	3.4
Netherlands	[7] 4.9	7.3	8.2	8.1	7.9	[1] 7.8	[1] 7.6	7.4	[1] 6.8	6.8	—	—
Nigeria	[4,6] 2.2	—	[3] 4.3	3.9	—	[1] 5.5	[3] 2.1	[1,3] 1.7	[1,3] 1.2	[1,3] 1.0	[1,3] 1.4	—
Norway	4.2	6.0	7.1	—	7.2	6.9	7.0	7.0	6.7	[1] 6.4	[1] 6.8	—
Sweden	[4] 4.6	7.7	[1] 7.0	9.1	9.1	9.2	9.0	8.4	8.0	[1] 7.8	7.6	7.4
Thailand	[6,9] 2.5	3.5	[1] 3.5	3.2	[1] 3.4	3.7	3.9	3.9	—	3.9	3.8	3.6
United Kingdom	[2] 4.3	5.3	[1] 6.6	5.4	[1] 5.6	5.5	5.4	[1] 5.2	[1] 5.1	4.9	5.0	—
United States	4.0	5.9	6.6	5.7	5.8	5.4	5.6	5.6	5.5	5.5	5.6	5.7
U.S.S.R. [5]	5.9	6.8	7.8	7.3	[1] 7.3	6.9	6.7	[1] 6.8	6.8	7.0	[1] 7.2	7.3
Yugoslavia	[10] 2.5	4.9	5.4	5.4	[1] 4.7	4.5	4.4	[1] 3.7	3.5	3.4	3.8	—

[1] Data revised from previously published figure.
[2] Data for 1961.
[3] Expenditures by the Ministry of Education only.
[4] As percentage of gross domestic product at market prices.
[5] Data are as a percentage of net material product.
[6] Data for 1959.
[7] Includes private expenditures relating to private education.
[8] Data for 1976.
[9] Central or federal government only; not including foreign aid.
[10] As a percent of gross material product.
—Data not available.

SOURCE: United Nations Educational, Scientific, and Cultural Organization, Paris, *Statistical Yearbook;* and U.S. Department of Commerce, Bureau of the Census, *Governmental Finances,* various years. (This table was prepared March 1990.)

Table 362.—International Assessment of Educational Progress in mathematics for age 13, by content area: 1988

Country or province	Mathematics proficiency score			Percent correct on mathematics test, by content area					
	Mean [1]	Percent with score of 400 or more [2]	Percent with score of 500 or more [3]	Numbers and operations	Relations and functions	Geometry	Measurement	Data organization	Logic and problem solving
1	2	3	4	5	6	7	8	9	10
British Columbia	539.6	94.9	69.5	76.6	70.5	59.4	63.4	64.7	77.3
Iceland	504.3	86.3	54.7	67.9	69.0	56.4	55.3	48.1	72.3
Korea	567.6	95.3	76.1	79.2	80.0	72.3	71.2	74.7	73.9
New Brunswick (English)	529.0	85.5	65.4	73.2	71.1	58.0	64.9	60.3	73.8
New Brunswick (French)	514.2	94.6	58.3	72.9	69.2	52.6	59.3	52.4	68.5
Ontario (English)	516.1	91.8	58.3	70.1	67.7	56.1	58.4	59.7	73.5
Ontario (French)	481.5	84.8	40.5	62.7	69.2	47.4	52.1	60.2	59.7
Quebec (English)	535.5	98.7	67.3	75.9	72.3	59.4	62.8	62.3	74.1
Quebec (French)	543.0	97.2	72.7	77.9	75.6	60.9	65.1	62.1	73.9
Spain	511.7	90.7	57.0	69.6	70.6	62.7	59.4	58.5	72.9
United Kingdom	509.9	86.7	55.5	61.5	73.8	63.0	58.0	62.3	78.1
United States	473.9	77.7	40.3	61.4	59.9	49.1	43.9	54.7	63.0

[1] The scale for the scores ranges from 0 to 1,000, with a mean of 500 and a standard deviation of 100.
[2] Students at this level have the ability to select appropriate basic operations (addition, subtraction, multiplication, and division) to solve simple one-step problems. They can locate numbers on a number line and understand the most basic concepts of logic, percent, estimation, and geometry.
[3] Students at this level demonstrate an understanding of the concept of order and place value; the meaning of remainder in division; the properties of odd and even numbers and zero; elementary concepts of ratio and proportion; use of negative and decimal numbers; simple conversions involving fractions, decimals, and percents; and computation of averages. Students can use skills to solve problems requiring two or more steps.

SOURCE: U.S. Department of Education, National Center for Education Statistics, International Assessment of Educational Progress, *A World of Differences,* by Educational Testing Service. (This table was prepared May 1989.)

Table 363.—Average percentage of items answered correctly on an international mathematics test of 8th grade students: Selected countries, 1981–82

Country or province	Mean percent correct, all items [1]	Arithmetic	Algebra	Geometry	Measurement	Statistics
1	2	3	4	5	6	7
Average	**47.4**	**50.5**	**43.1**	**41.4**	**50.6**	**54.7**
Belgium						
Flemish	53.2	58.0	52.9	42.5	58.2	58.2
French	51.4	57.0	49.1	42.8	56.8	52.0
Canada						
British Columbia	51.6	58.0	47.9	42.3	51.9	61.3
Ontario	49.0	54.5	42.0	43.2	50.8	57.0
England and Wales	47.2	48.2	40.1	44.8	48.6	60.2
Finland	46.8	45.5	43.6	43.2	51.3	57.6
France	52.5	57.7	55.0	38.0	59.5	57.4
Hong Kong [2]	49.4	55.1	43.2	42.5	52.6	55.9
Hungary	56.0	56.8	50.4	53.4	62.1	60.4
Israel	45.0	49.9	44.0	35.9	46.4	51.9
Japan [2]	62.1	60.3	60.3	57.6	69.6	70.9
Luxembourg	37.5	45.4	31.2	25.3	50.1	37.3
Netherlands	57.1	59.3	51.3	52.0	61.9	65.9
New Zealand	45.6	45.6	39.4	44.8	45.1	57.3
Nigeria	33.6	40.8	32.4	26.2	30.7	37.0
Scotland	48.4	50.2	42.9	45.5	48.4	59.3
Swaziland	31.5	32.3	25.1	31.1	35.2	36.0
Sweden	41.8	40.6	32.3	39.4	48.7	56.3
Thailand	42.2	43.1	37.7	39.3	48.3	45.3
United States	45.3	51.4	42.1	37.8	40.8	57.7

[1] Weighted average determined by the number of items in each test component.
[2] Students in Japan and Hong Kong were attending the seventh grade.

SOURCE: U.S. Department of Education, National Center for Education Statistics, contractor report, *Perceptions of the Intended and Implemented Curriculums*, by Ian Livingston. This table was based on the "Second International Mathematics Study" conducted by the International Association for the Evaluation of Educational Achievement. (This table was prepared October 1986.)

Table 364.—International mathematics test scores and percentage of age group taking tests in the 12th grade: [1] Selected countries, 1981–82

Country or province	Average age of students	Percent of age group taking test	Percent of analysis items students had been taught	Achievement scores for top 5 percent of age group			
				Average score [2]	Algebra	Geometry	Analysis (calculus)
1	2	3	4	5	6	7	8
Average	**17**	**16**	**76**	**57.1**	**57.6**	**57.2**	**56.4**
Belgium							
Flemish	17	10	88	56.3	57.5	55.9	55.5
French	17	10	—	54.2	55.3	53.6	53.7
Canada							
British Columbia	17	30	32	57.3	60.9	59.2	51.8
Ontario	18	19	83	59.4	59.6	59.3	59.4
England and Wales	17	6	85	55.5	54.9	55.5	56.1
Finland	18	15	87	60.5	60.7	59.8	61.0
Hungary	17	50	67	59.9	60.9	61.1	57.7
Israel	17	6	78	50.0	51.5	47.7	50.9
Japan	17	12	92	65.0	63.7	64.9	66.5
New Zealand	17	11	93	57.2	56.8	57.0	57.7
Scotland	16	18	—	55.7	56.2	56.0	52.9
Sweden	18	12	86	58.9	58.5	59.0	59.2
Thailand	—	—	63	—	—	—	—
United States	17	13	54	52.2	52.8	53.0	50.9

[1] For all countries, this table includes students attending precollege mathematics classes at the highest level of secondary school. In some countries, the students had been in school longer than 12 years.
[2] Average of scores on algebra, geometry, and analysis tests with 88 items. This score is based on a standardized distribution of data from all 15 participating countries, then adjusted to a mean of 50 and a standard deviation of 10.
—Data not available.

SOURCE: U.S. Department of Education, National Center for Education Statistics, unpublished contractor report based on the "Second International Mathematics Study" conducted by the International Association for the Evaluation of Educational Achievement. (This table was prepared October 1986.)

Table 365.—International Assessment of Educational Progress in science for age 13, by content area: 1988

Country or province	Science proficiency score			Percent correct on science test, by content area				
	Mean [1]	Percent with score of 400 or more [2]	Percent with score of 500 or more [3]	Life sciences	Physics	Chemistry	Earth and space sciences	Nature of science
1	2	3	4	5	6	7	8	9
British Columbia	551.3	95.2	71.9	72.6	63.7	64.4	73.0	69.6
Ireland	469.3	75.6	37.2	60.0	53.0	46.7	61.0	54.5
Korea	549.9	93.1	72.7	72.7	67.6	65.9	71.3	65.8
New Brunswick (English)	510.5	90.4	55.4	66.0	59.3	53.8	68.2	63.0
New Brunswick (French)	468.1	77.9	35.3	58.5	56.0	48.8	55.2	57.3
Ontario (English)	514.7	90.8	55.9	67.4	59.8	52.8	68.0	63.9
Ontario (French)	468.3	78.8	34.8	60.1	55.1	46.9	57.4	56.6
Quebec (English)	515.3	91.8	57.4	68.9	58.3	51.4	66.3	64.4
Quebec (French)	513.4	91.5	56.3	70.8	59.6	54.0	60.7	64.0
Spain	503.9	88.0	53.5	69.0	60.2	51.6	65.6	59.5
United Kingdom	519.5	89.0	58.0	68.4	62.2	52.4	68.8	64.2
United States	478.5	78.3	41.8	64.0	52.9	47.7	61.4	56.0

[1] The scale for the scores ranges from 0 to 1,000, with a mean of 500 and a standard deviation of 100.

[2] Students at this level exhibit a growing knowledge in life sciences and can apply some basic principles from the physical sciences, including force. They also display a beginning understanding of some of the basic methods of reasoning used in science, including classification and interpretation of statements.

[3] Students at this level have a grasp of experimental procedures used in science, such as designing experiments, controlling variables, and using equipment. They can identify the best conclusions drawn from data on a graph and the best explanation for observed phenomena. Students understand some concepts in a variety of science content areas, including the life sciences, physical sciences, and earth and space sciences.

SOURCE: U.S. Department of Education, National Center for Education Statistics, International Assessment of Educational Progress, *A World of Differences*, by Educational Testing Service. (This table was prepared January 1989.)

Table 366.—Science test scores for 10- and 14-year-olds, percentage of age groups in school, and mean ages of students tested in selected countries: 1983 to 1986 [1]

Country	10-year-olds					14-year-olds				
	Grade tested	Average test scores	Percent of age group in school	Mean age, in years and months	Standard deviation of age, in months	Grade tested	Average test scores	Percent of age group in school	Mean age, in years and months	Standard deviation of age, in months
1	2	3	4	5	6	7	8	9	10	11
Australia	4, 5, 6	12.9	99	10:6	3.3	8, 9, 10	17.8	98	14:5	3.3
Canada (English)	5	13.7	99	11:1	7.1	9	18.6	99	15:0	6.1
England	5	11.7	99	10:3	3.6	9	16.7	98	14:2	3.9
Finland	4	15.3	99	10:10	4.1	8	16.5	99	14:10	4.1
Hong Kong	4	11.2	99	10:5	9.8	8	16.4	99	14:7	10.8
Hungary	4	14.4	99	10:3	5.2	8	21.7	95	14:3	4.7
Italy	5	13.4	99	10:9	5.2	8, 9	16.7	99	14:7	5.4
Japan	5	15.4	99	10:7	3.5	9	20.2	99	14:7	3.5
Korea (South)	5	15.4	99	11:2	7.4	9	18.1	99	15:0	7.2
Netherlands	—	—	—	—	—	9	19.8	99	15:6	12.5
Norway	4	12.7	99	10:11	4.0	8	17.9	99	15:10	4.0
Philippines	5	9.5	97	11:1	11.3	9	11.5	60	16:1	15.9
Poland	4	11.9	99	10:11	5.4	8	18.1	91	15:0	5.8
Singapore	5	11.2	99	10:10	5.7	9	16.5	91	15:3	9.0
Sweden	4	14.7	99	10:10	4.1	8	18.4	99	14:9	3.8
Thailand	—	—	—	—	—	9	16.5	32	15:4	8.9
United States	5	13.2	99	11:3	6.9	9	16.5	99	15:4	9.1

[1] Tests were conducted between 1983 and 1986.

—Data not available.

SOURCE: International Association for the Evaluation of Educational Achievement, *Science Achievement in Seventeen Countries, A Preliminary Report*. Copyright © 1988 by Pergamon Press. (This table was prepared January 1989.)

Table 367.—Science test scores for 12th graders enrolled and not enrolled in science classes, by subject: Selected countries, 1983 to 1986[1]

Country	Grade tested	Average age, years: months	Percent enrolled in school	Biology students		Chemistry students		Physics students		Non-science students[2]
				Biology test, percent correct	As a percent of total enrollment	Chemistry test, percent correct	As a percent of total enrollment	Physics test, percent correct	As a percent of total enrollment	As a percent of total enrollment
1	2	3	4	5	6	7	8	9	10	11
Australia	12	17:3	39	46.2	18	46.6	12	48.5	11	10
Canada	12, 13	18:3	71	45.9	28	36.9	25	39.6	19	—
England	13	18:0	20	63.4	4	69.5	5	58.3	6	10
Finland	12	18:7	[3] 45	51.9	45	33.3	14	37.9	14	—
Hong Kong (6)[4]	12	18:4	20	50.8	7	64.4	14	59.3	14	—
Hong Kong (7)[5]	13	19:2	—	55.8	4	77.0	8	69.9	8	—
Hungary	12	18:0	[6] 18	59.7	3	47.7	1	56.5	4	9
Italy	12	19:0	52	42.3	14	38.0	2	28.0	19	25
Japan	12	18:2	83	46.2	12	51.9	16	56.1	11	35
Norway	12	18:11	40	54.8	10	41.9	15	52.6	24	—
Poland	12	18:7	28	56.9	9	44.6	9	51.5	9	—
Singapore	13	18:1	17	66.8	3	66.1	5	54.9	7	8
Sweden	12, 13	19:0	[7] 15	46.5	15	40.0	15	44.8	15	—
United States[8]	12	17:7	90	37.9	6	37.7	1	45.5	1	[9] 66

[1] Tests were conducted between 1983 and 1986.
[2] Data for students not enrolled in science classes.
[3] A total of 63 percent of age group was in full-time schooling, but the 18 percent in vocational programs were not sampled.
[4] Form 6 represents grade 12.
[5] Form 7 represents grade 13.
[6] A total of 40 percent of age group was in full-time schooling, but the 22 percent in vocational programs were not sampled.
[7] An additional 15 percent were enrolled in non-science academic programs and were not sampled.
[8] United States test scores are included in this table even though they are not directly comparable with scores from other countries. U.S. students were tested for 25 items in biology and chemistry and 26 items in physics. Other countries were tested with 30 items in each subject.
[9] Includes students in first-year physics courses.
— Data not available.

NOTE.—The primary sampling units in Hong Kong were classes rather than schools.

SOURCE: International Association for the Evaluation of Educational Achievement, *Science Achievement in Seventeen Countries, A Preliminary Report.* Copyright © 1988 by Pergamon Press. (This table was prepared January 1989.)

Table 368.—Mean number of areas[1] correctly identified in a test of geography knowledge, by country and age: 1988

Country	Age				
	18 to 24	25 to 34	35 to 44	45 to 54	55 and over
1	2	3	4	5	6
Canada	9.3	9.2	10.5	8.3	6.7
France	9.2	9.6	10.1	9.0	8.8
Germany, West	11.2	11.2	11.0	11.6	10.9
Italy	9.3	9.3	8.4	7.8	5.5
Japan	9.5	10.8	10.5	9.7	7.9
Mexico	8.2	6.9	7.6	6.4	5.7
Sweden	11.9	12.3	12.5	11.5	10.3
United Kingdom	9.0	8.4	9.2	8.9	7.8
United States	6.9	6.8	9.6	8.8	8.4

[1] Individuals were asked to identify 16 countries or bodies of water on a world map: Canada, Central America, Egypt, France, Italy, Japan, Mexico, Pacific Ocean, Persian Gulf, South Africa, Sweden, United Kingdom, U.S.A., U.S.S.R., West Germany, and Vietnam.

SOURCE: The Gallup Organization, Inc., *Geography: An International Gallup Survey, 1988.* (This table was prepared March 1989.)

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20506

U.S. TECHNOLOGY POLICY:
CAN IT HELP MAKE AMERICAN COMPANIES COMPETITIVE?

D. ALLAN BROMLEY
Assistant to the President for Science and Technology
Executive Office of the President

Center for Science and International Affairs
John F. Kennedy School of Government
Harvard University
Cambridge, Massachusetts
March 13, 1991

It is always a great pleasure to return to Harvard, especially given the long history of friendly competition between Harvard and Yale, on the football field and elsewhere. Although I have to admit that when I think of Harvard, I tend to think more about the English department than with the football team. The reason is that several years ago I had a graduate student at Yale who had been a Harvard undergraduate, and who had presumably taken at least one English course here. He was extremely bright and is today an internationally known physicist. But the first sentence of his Ph.D. dissertation, when I received it in draft, read as follows: "This field of research is so virginal that no human eyeball has set foot in it."

I an not here, however, to talk about either physics or English but rather about something in between: the use that we make, here in the United States, of technology. Technology -- and the science from which much technology springs -- are of vital importance to this country, and they have received much attention in my office -- the Office of Science and Technology Policy -- and within the Bush Administration in general.

Over the last few months, we have seen the difference that science and technology can make on the battlefield. But science and technology are having an equally dramatic -- if less directly visible -- effect on our civilian economy and on our modern way of life. The past investments we have made in science and technology have paid great returns in economic growth and an improved quality of life, just as the investments we made in military systems paid off in outstanding fashion in the Gulf War. Nor is there any reason to think that this return from science and technology will be any less in the future.

Let me try a simple calculation to demonstrate these economic returns of R&D. Over the last 50 years, the size of the U.S. economy, after correcting for inflation, has increased about fivefold. Economists calculate that about a third of this growth has resulted from research and development. In other words, at least 25 percent of our national income today can be directly traced to science and technology.

Now let me make the very conservative assumptions that the economy grows at

only half this rate over the next fifty years -- so that it is two-and-a-half times today's size in the year 2031 -- and that today's R&D continues to account for about a third of that growth. In that case, the U.S. economy fifty years from now will be over $3 trillion larger -- in today's dollars -- than it would be without the results of R&D. Given that the United States today annually spends about $150 billion on R&D of all kinds -- public and private, defense and civilian -- we can calculate that an expenditure of $1 today will yield a real return of at least $20 fifty years from now. I do not know of any other investments that give that kind of return -- with the possible exception of a Harvard or Yale education.

I have been talking about the economic returns of research and development, but of course there are many other kinds of returns. Science and technology have immeasurably improved the quality of our lives through prevention and treatment of disease, greatly enhanced mobility, improved accommodations and food, and even new forms of recreation and entertainment. We tend to forget that just 100 years ago, a quarter of all people born in the United States were dead before their 25th birthday, and half of all people had died by the age of 50. Today the corresponding figures are 3 percent mortality by the age of 25 and 10 percent by the age of 50.

Finally, scientific discovery is one of the greatest adventures that we have available to us as a species. The quest for knowledge is a basic human drive and brings great intellectual and emotional satisfactions. Furthermore, as Francis Bacon put it in the famous quotation from his Religious Meditation: "Nam et ipsas scientia potestas est," which of course translates as "knowledge itself is power." I might add, by the way, that since coming to Washington I've heard that when Senator Everett Dirksen first heard this quotation, he immediately replied, "particularly if you know it about the right people."

Continued American Strengths

Much has been said and written in the last few years about how America is losing its edge in technology, and even in some areas of science. Personally, I believe

that much of this is talk is ill-informed at best. We in the United States continue to have, by a large margin, the strongest science and technology base that the world has ever known. This storehouse of facilities, equipment, knowledge, and trained personnel has come about largely because of the generous support provided by the federal government, and ultimately by the American taxpayer, for research and development since World War II. It is a tribute to the American people, and to the public policy process in this country, that investments of this magnitude have been made.

What is true is that a number of countries, by focusing their resources in particular areas, have moved up to equal -- and in a few cases surpass -- the position of the United States. That is not necessarily bad. In fact, it was to be expected as other countries recovered from World War II and began to follow the United States' lead. What we must do now is ensure that, in all areas of science and technology where our activities do not define the frontier, they are close enough to those frontiers so that we can exploit, without delay, new developments whenever and wherever they occur.

Let me mention a few other strengths of American science and technology, because it will be important to keep these in mind in considering U.S. policies affecting technology. First, this country continues to have the strongest research university system in the world. Especially at the graduate level -- but also if more selectively at the undergraduate level -- our universities continue to set world standards and typically attract the brightest young people from around the world.

These research universities also provide a double dividend. They generate the new knowledge that drives both science and technology, and at the same time they produce the young minds trained to use that knowledge in new and more productive ways. In no other country does this process work as effectively.

The United States also continues to have a business climate that encourages the formation of new companies and allows successful companies to grow quickly into major businesses. The rapid growth of the biotechnology industry is one example -- with over 400 firms founded in biotechnology in the 1980s -- but there are other examples throughout American business. These small and medium-sized firms

generate many of the most important new ideas in our economy, and they continue to generate most of the new jobs in this country. So long as adequate investment capital remains available for new start-ups, these companies will continue to contribute a dynamic quality to the U.S. economy that is not evident elsewhere.

Finally, the United States remains an open and restless society that prizes and rewards innovation. Our world is today changing at accelerating speed, and those companies that remain flexible and innovative are going to be the ones best able to take advantage of those changes. The massive production lines for which the United States became famous can no longer be looked on as the paradigm, though the advantages of scale will continue to be important. We need greater flexibility and agility in changing our production capabilities, both to reflect technological changes and to match customer demand. And we must develop much greater sensitivity to that demand, particularly in the international marketplace.

The FY 1992 Budget

These strengths -- and the opportunities they present -- are fully reflected in the budget proposal that President Bush sent to Congress in January. To take advantage of the countless scientific opportunities available to researchers at our nation's colleges and universities, the budget proposes an 18 percent increase in funding for the National Science Foundation and a 9 percent increase in funding for research project grants awarded to individual investigators at the National Institutes of Health.

Together, these two federal agencies support over 75 percent of the federal funded basic research done in universities; by focusing on them, the Administration is seeking to strengthen the individual investigator and small group research that remains the heart and backbone of American science and technology.

Yet basic research clearly cannot be the only component of a nation's R&D enterprise. Other nations such as Japan have R&D enterprises that bring great benefits to society yet include very little basic research. The difference is that these

systems are able to very efficiently and effectively exploit the results of basic research, no matter where it is done. This is the stage of the innovation process -- the stage between the generation of knowledge and its application in the marketplace -- that poses the greatest challenges to the United States.

To help strengthen the latter stages of the innovation process, the budget includes funding for many areas of applied research and technology development, including high performance computing and communications, energy technologies, biotechnology, advanced manufacturing and materials, and aeronautics. To take just one example, the budget includes a special Presidential initiative on high performance computing and communications, which is designed to sustain and extend America's preeminence in this critically important area of technology. This program, which was put together by an interagency committee organized through my office, focuses on the hardware, software, networks, and human resources that will be necessary to increase computing and communications capabilities by several orders of magnitude. In my view, these new capabilities could have the kind of catalytic effect on society, businesses, and universities that the telephone system has had during the twentieth century.

The budget emphasizes a number of areas of applied research and development. In fact, it goes so far as to state that it is providing increased funding "for all major civilian applied R&D areas." This is an important measure of the Administration's intentions.

In a speech to the recipients of the National Medals of Science and National Medals of Technology last fall, the President said, "Today, our government must help carry [basic] research forward and contribute to the development of generic technologies that build on basic discoveries. If America is to maintain and strengthen our competitive position, we must continue not only to create new technologies, but learn to more effectively translate those technologies into commercial products. In this way, we can help leverage the R&D of the private sector, helping whole industries advance in an increasingly competitive global market." As part of this commitment from the highest levels of government, applied research and technology development are going to be increasingly important federal emphases.

Technology Policy: The Narrow and Broad View

The question then becomes, will this support of technologies automatically boost the American economy? Or, to return to the title of my talk, can federal support for technology development help make American companies competitive? These is no question that in some cases it can, and history provides many examples of such success stories, from the airline industry to the computer industry.

But even though a strong technology may be a necessary condition of commercial success, it is by no means a sufficient condition. Our past strengths in technology have not prevented an erosion of market shares of U.S. companies in many industries. Nor should the federal government try to directly identify and develop technologies for commercial products and processes. That is the responsibility of the private sector, and past federal attempts to second-guess the marketplace have often produced dismal results.

The very real limits on the federal government's ability to mandate technological success can be seen in a recent poll conducted by the Industrial Research Institute of its members, who consist of the top-ranking R&D officials in many of America's leading companies. The members were asked to rank five major factors according to their contributions to the erosion of U.S. industrial technology. The two most important categories were "general management practices" and "external financial pressures." The last category in order of importance was "federal technology policy."

As the director of the Office of Science and Technology Policy, this ranking leaves me in a somewhat awkward position. I can sympathize with the story that Newton Minow used to tell, who was head of the Federal Communications Commission in the 1960s and coined the phrase "a vast wasteland" in describing television. He said that his mother once called him up and said, "Newton, since you've been in that job the television programs have really gotten much better. But can't you do anything about TV dinners."

The problem, I believe, is that we have had a tendency to define "technology

policy" much too narrowly -- as simply the federal government's support for technology. Last September my office put out a report entitled "U.S. Technology Policy," and in that document the issue is viewed from a much broader perspective. It considers such issues as technology transfer, the financial environment needed for longer-term investments, the legal and regulatory environment necessary for innovation, and the education and training of the workforce. What I would propose to do with the rest of my time is look at some of these issues and show how they fit into a comprehensive federal approach to competitiveness.

Technology Analysis

Turning to the issues most closely related to technology development, one of the most important needs is for solid information and analysis about the technologies of importance to our economy and national security. Some of this analysis has been and is being done by the private sector. I know, for example, that several groups here have looked at these issues, and I want you to know that we read those reports very carefully in our office, and they have been extremely helpful.

Another important activity is going on within the Office of Science and Technology Policy. Over the past year, the National Critical Technologies Panel within OSTP has been working to develop a list of the technologies that will be critical to our future economic prosperity and national security. The panel has 13 members -- six from the private sector and six from the federal government, plus the panel's chairman, Bill Phillips, who is the Associate Director for Industrial Technology within OSTP.

The first report of the panel will soon be released, and in that report the panel discusses 22 technologies that it believes will be critical in the 1990s and into the 21st century. The technologies fall into six broad categories: (1) materials, (2) biotechnology and life sciences, (3) manufacturing, (4) information and communications, (5) aeronautics and surface transportation, and (6) energy and the environment. The report describes each technology, highlights its importance and the

reasons for its selection, and discusses the current status of the technology, including the relative position of the United States versus other countries.

As the report points out, the development of technologies -- like the development of science -- is replete with surprises. Who would have guessed when the laser was developed that we would today be using it to play music and read prices from supermarket items? However, the panel has set forth the technologies in its report with confidence that they constitute the appropriate bases for exploitation to satisfy many of the nation's future needs. Also, the list technologies will be updated biennially to ensure that they remain current.

Once the appropriate technologies have been selected, careful thought must be given to how those technologies can be successfully developed and deployed. Again, considerable work on this subject is going on in the private sector, and OSTP is in the process of greatly increasing its involvement with this issue. The 1991 Defense Authorization Bill called upon OSTP to follow-up the work of the National Critical Technologies Panel by establishing a Critical Technologies Institute. This institute would give OSTP an analytical arm for developing strategies to promote technologies critical to both governmental and private sector needs. It would evaluate programs that are already in place in both the private and public sectors to see which programs are most effective. And it would work with other groups at evolving strategies for the optimum development and deployment of technologies.

This question of how best to develop technology applications is a critical one, yet it is often given scant consideration in either the public or private sectors. We in the White House frequently meet with representatives of U.S. industrial groups. Many believe that they were in some trouble in terms of remaining competitive; many would like to see some form of direct federal assistance. But all too few are prepared to lay out a strategic plan that demonstrates how such assistance would, in fact, put them on a new trajectory that in five or more years would leave them competitive and not in need of an additional transfusion.

This Administration is prepared to be helpful, and indeed looks on competitiveness as one of the nation's most pressing challenges. But we do not believe that we in government are as well-qualified to make these strategic plans and

decisions for industry as is industry itself. Nor do we believe that economic transfusions in the absence of such strategic plans are any answer at all.

In addition to OSTP's work in industrial technology, the Department of Commerce has, of course, been heavily involved in this area. For example, very recently, the Department of Commerce, through the National Institute of Standards and Technology, announced the first set of awards under its new $36 million Advanced Technology Program, which we in the Administration view as a pilot program.

In all, 249 proposals were received; 45 were joint ventures, 204 were single applicants, and 183 were from small businesses. They came from 38 states in addition to the District of Columbia.

These proposals were subjected to 678 technical peer reviews involving 395 individual reviewers from industry, universities, and government as well as venture capitalists and private consultants.

Out of this screening, 11 winners emerged; 5 are joint ventures, and 8 are single applicants. Eight of these projects are led by small businesses, and there is small business participation in all of the awards through subcontracting. The awardees span the entire range, from multinationals such as AT&T and IBM to very small companies with only a few hundred employees.

The total requested in the proposals was $337 million, with $112 million for the first year. Among the winners, $9.2 million was requested from the federal government, with cost-sharing of $9.4 million. The winning proposals address 10 different generic technologies, ranging from X-ray lithography through panel displays to machine tool control and nonvolatile computer memories.

By all measures, it would appear that this pilot program has been a great success, and I would anticipate substantial growth in it in future years.

Technology Transfer

Any consideration of how best to exploit federal development of technologies

must include an extremely valuable but often overlooked asset. In this country, in addition to our university researchers and those in industry, we have an enormous national resource in the professional personnel, expertise, and infrastructure resident in our over 700 federal laboratories. The federal government invests over $20 billion a year in these laboratories -- almost a third of the total federal R&D budget. They embrace an astonishing breadth and depth of science and technology, including some of the best science and technology to be found.

Many of these laboratories were established in the immediate post-World War II period, and they originally had very specific missions and objectives. Many of these missions were satisfied many years ago, so that at least some of the labs lack clearly defined objectives, although many have been able to keep their programs in close touch with national needs.

Our challenge now is to involve these laboratories in a much-discussed but all-too-infrequently realized partnership with universities and industry so that they can play a more effective role in supporting U.S. economic competitiveness in the international marketplace. I believe, for example, that potential users must be more involved in the launching of laboratory programs than is now the case, where individual curiosity remains a dominant driver in the laboratories. I am convinced that groups of knowledgeable industrial and university scientists, meeting with laboratory management and senior scientists and technologists, can add a new dimension to the selection of program emphases and priorities -- at the outset -- with the laboratories. In so doing, this process will lead to significantly improved coupling throughout the research programs and in the use of their outputs.

The end result of new partnerships among the components of our research enterprise would be a much greater degree of technology transfer. But I must caution that the term "technology transfer" is one of the most misunderstood in the English language. It seems to imply that technology can be neatly identified, wrapped up, and transported with equal neatness to another organization, where it can be unwrapped and applied without significant change. Nothing could be farther from the truth.

In fact, there is only one way in which technology can be effectively transferred, and that is in the minds of people. I have become convinced that the only effective

transfer occurs when the technologies are carried in the minds of trained individuals moving from one organization to another. As a result, I believe that substantially increased mobility among our research personnel -- both basic and applied, both short- and long-term -- is essential.

Other countries are much more successful at these kinds of close working relationships than we are here in the United States. Our international trading partners have forged very strong links between government and industry. They have put public and private funds into targeted programs that reduce the risk of technology development, lower the cost to each participant, and make it easier to compete.

If the United States is to compete in such a marketplace, we cannot force each individual country to reinvent the technological wheel. Rather, the government must act as catalyst, with federal funding where appropriate, to combine the very real strengths apparent in each component of our R&D enterprise.

Mathematics and Science Education

In addition to these considerations of technology, there are many fiscal, legal, and even cultural factors that influence the competitiveness of American companies. Let me mention just a few of these and the actions that the Bush Administration is taking to influence them. On the economic front, the Administration has been working to reduce the cost of capital by controlling the federal budget deficit. The budget agreement reached last fall will save a half <u>trillion</u> dollars of federal spending that can now go into private capital markets, reducing interest rates rather than raising them.

In trade, the federal government is working to reduce trade barriers and better protect intellectual property. We must ensure that we receive a fair return on our investments in research and development rather than allowing those returns to flow predominantly to our trading partners.

In the area of regulation, the Competitiveness Council headed by the Vice

President is working on reforms to product liability laws to restore balance to the tort system. The Administration is also working to remove barriers to research, innovation, and development by eliminating unnecessary and unwarranted regulations.

These are all important elements of what might be considered a U.S. technology policy in its broadest sense. But I want to emphasize, in closing, perhaps the most fundamental element of our approach to technology, and that is the education of our young people and the training of our workforce.

American education is now suffering from some extremely serious breakdowns. Particularly at the precollege level, the education that many of our young people are receiving is scandalously poor. For the first time in American history, our children and grandchildren are now receiving a worse education than their parents and grandparents received.

As is the case through society, science and technology are becoming an ever more important of the educational enterprise. Jobs requiring high levels of scientific and technical training are the most rapidly growing segment of the labor market. But our schools are not producing nearly enough scientifically literate and technically training individuals to meet the demand. International comparisons show the United States at or near the bottom in scientific and mathematical achievement. If we cannot educate our young people properly, scientific and technological supremacy will inevitably pass from the United States to other countries.

The importance of science and technology is apparent in the National Education Goals established by the President and the nation's Governors last year. Of the six goals, three directly involve science and technology, including the most ambitious of the six, that American students be first in the world in science and technology by the year 2000.

All of us know that particular goal is a stretch goal. Yet it is already having its desired effect in driving some very significant reforms. At the federal level, an interagency committee under the leadership of Secretary of Energy James Watkins has put together an integrated, government-wide program designed to significantly advance science and mathematics education. As part of that effort, the committee produced, for the first time, an inventory of all of the activities in the federal government that

directly influence science, mathematics, engineering, and technical education. And in the budget sent to Congress last month, the President proposed a 13 percent increase for this interagency program, to a total of nearly $2 billion.

We are now looking seriously at the next iteration in developing a federal program in mathematics and science education. Precollege education was the top priority to emerge from the past year's work. A strong candidate for high priority in the FY 1993 round is technician training, in the broad sense of the term. This is an area where the United States has fallen behind other countries, especially Germany and Japan, to the detriment of our high-technology industries. Your suggestions as to how we should meet this challenge would be greatly appreciated.

These are important first steps, but of course the federal government alone cannot guarantee the achievement of the National Education Goals. It is going to take all of us working together -- with the goals as a consensual statement of where we are headed -- to make the kind of progress they envision. We must get parents reinvolved in the education of their children, in part by giving them a greater degree of choice about where they send their children to school. We must establish partnerships between universities and the surrounding schools to that the expertise available in universities can be applied to this serious national problem. We must substantially upgrade the training and abilities of our teachers and treat them with the respect and understanding that their importance to the nation's future warrants. And government and industry must work together to produce the trained technicians our country needs.

I'm talking, here, about some sweeping and fundamental changes in the cultural norms of our country, and those changes will not be achieved easily or quickly. But they can be achieved. Our country is one of the most dynamic that the world has ever known; it is one of our greatest strengths. Change is a way of life in the United States, and in a democracy change is almost always for the better. The challenge now is to marshall the collective will. As Benjamin Franklin once said, "In a democracy, the people rule -- if they want to."

Of course, some changes will be easier to achieve than others. Several years ago I was meeting with the Science Advisor to the Prime Minister of Japan and with

one of the most senior scientific entrepreneurs in the Japanese economy. After a day's detailed discussions about our different approaches to high technology, to engineering, to science, and to education, I asked the Japanese science advisor what, in his view, was responsible for the rather different success that our two countries have enjoyed over recent years in the development of high technology, industrial strength and economic competitiveness. His answer was simple. He said, "It may not be unrelated to the fact that in Japan, per capita, we produce five times more engineers than you do, one twenty-seventh the number of lawyers, and no MBA's whatever."

This may be a Japanese solution to the problem of competitiveness that is not appropriate for America. But it gives you an idea of the kind of issues that we must face.

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HEADLINE: COALITION ANNOUNCES TAXPAYER'S ACTION DAY FOR OCT. 27

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BODY:

A coalition of organizations chaired by Alan L. Keyes, president of the Council for Citizens Against Government Waste (CCAGW), today announced plans for a national series of rallies on Saturday, Oct. 27, to offer taxpayers a chance to protest rising taxes, waste and spending by federal, state and local governments.

"In just the last 10 days, voters in Massachusetts, Oklahoma and the District of Columbia have demonstrated a deeply felt desire for change, motivated by public dissatisfaction with the failure by government at all levels to competently manage our financial affairs," Keyes said.

Taxpayer's Action Day will provide a platform to express this outrage. Rallies around the country will be organized by people at the local level. CCAGW has drafted a "Taxpayer's Declaration of Independence," which states, in part, that "Incumbent politicians and bureaucrats squander the nation's substance, debase the institutions of self-government, and burden the nation's productive citizens with excessive taxation. ... We ... declare that taxpayers ought to be free from incompetent, wasteful and irresponsible government."

The declaration will be sent to hundreds of organizations across the nation as a focus of organizing efforts, inviting them to join in restoring accountability and acceptability to government.

"In Washington, there is a trail of broken promises and inept leadership in the fight to reduce the deficit. The same politicians who want to take a bigger bite of the family budget have raised their own pay, raised taxes, increased the deficit, and presided over the biggest financial scandal in the nation's history, the savings and loan debacle. Taxpayers around the country are fed up," Keyes added.

Taxpayer's Action Day will be kicked off with a nationwide television show called "Taxpayers Revolt," exposing the outrage that Americans feel about their treatment at the hands of elected officials. This program will be a special edition of American Citizens Television.

"The U.S. Congress in particular has been singularly unsuccessful as an institution in the last 20 years in efforts to cut out wasteful

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and unnecessary spending to reduce the deficit. Congress has ignored public reports which document hundreds of billions of dollars in waste while claiming it cannot find ways to cut the deficit," Keyes said.

"Taxpayer's Action Day will give citizens a chance to adopt the theme of Arizona activists, who are saying to officials that 'enough is enough' and it's time for government to once again become accountable to the people. Notice will be served to incumbent officials everywhere that taxpayers demand efficient and responsible administration of their money," Keyes said.

Joining Alan Keyes at the press conference were Mike Siegel, president of the National Association of Radio Talk Show Hosts; Al Cors Jr., director of legislative and political affairs for the National Tax Limitation Committee; Sam Perelli, chairman of United Taxpayers of New Jersey; Sydney Hoff, executive director of the Enough is Enough Coalition in Arizona; Steve Merican, counsel for the Tax Accountability Amendment Committee of Illinois; Mark Wheat, director of tax and fiscal policy for Citizens for a Sound Economy; Phyllis Schlafly, founder of Eagle Forum; Dr. Robert Grant, American Freedom Coalition; Jill Lancelot, director of government affairs, National Taxpayers Union; Fred Smith, president of the Competitive Enterprise Institute; John Creegan, executive director, U.S. Business and Industrial Council; and Grover Norquist, president of Americans for Tax Reform.

The text of the "Taxpayer's Declaration of Independence" follows:

When in the course of human events, it becomes necessary for taxpayers to remonstrate against the arrogance, greed, ineptitude and broken promises of incumbent politicians, and to exercise the rights of peaceable assembly and protest to which the Constitution of the United States entitles them, a decent respect for public opinion requires that they should declare the reasons which impel them to denounce and deplore the conduct of government officials.

We hold these truths to be self-evident: that taxpayers are, and of right ought to be, the employers of politicians and bureaucrats, and are entitled to receive fair value for the hard-earned tax dollars they furnish to government. That government should utilize tax monies efficiently, making systematic, sustained and determined efforts to eliminate waste, fraud, mismanagement, and abuse. That fiscal and economic policies should advance the public interest and national purposes. That whenever government becomes unduly subservient to special interests, it is the taxpayers' right to champion the public interest and cast their ballots accordingly.

Prudence, indeed, will dictate that a national taxpayer revolt should not be undertaken for light and transient causes; and accordingly experience has shown that taxpayers are more inclined to bear high taxes, while taxes are bearable, than to rectify the situation by making a clean sweep at the polls. But when a long train of abuses and scandalous policy failures imperil the nation's financial integrity, waste untold billions of tax dollars each year, and undermine the confidence of citizens in representative government, it is the taxpayers' right, it is their duty, to turn the rascals out.

The recent history of the Washington Establishment is a history of repeated injuries and abuses to taxpayers. Incumbent politicians and bureaucrats squander the nation's substance, debase the institutions of self-government, and burden the nation's productive citizens with excessive taxation. To prove this, let facts be submitted to a candid

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world:

They have failed to balance the budget in twenty-one years, amassing a national debt of more than $3 trillion.

They have mortgaged our future. Each child born in America today comes into the world owing $12,000 on the national debt. To pay the interest on this debt, the Treasury in 1989 had to spend $254.4 billion -- 54 cents out of every dollar collected from individual taxpayers. If current trends continue, by the year 2000 more than 100 percent of each tax dollar individuals pay will be required just to service the national debt.

Incumbent politicians and bureaucrats have become addicted to living beyond their means, spending $1.58 for every additional dollar in legislated higher taxes. Although tax revenues grew by 114 percent between 1979 and 1989, federal spending grew even more -- by 127 percent. The result has been a tripling of the national debt in a single decade.

They have used dishonest accounting practices to evade the fiscal discipline imposed by the Gramm-Rudman balanced budget law, shifting paydays and disbursements from one fiscal year to another and arbitrarily designating certain expenditures as "off budget."

They have withdrawn fiscal policymaking from public scrutiny, negotiating backroom deals in Star Chamber "budget summits," which invariably set the stage for higher spending, higher taxes, and higher deficits.

They not only voted themselves a 37 percent pay hike, defying the taxpayers' manifest wishes, but agreed secretly among themselves to remove the pay raise as an issue at election time. Thus they have conspired to line their pockets while depriving taxpayers of a choice at the polls.

They have turned the franking privilege into an instrument of incumbency protection, sending out every year hundreds of millions of pieces of thinly disguised campaign literature at taxpayer expense.

They have given us a government riddled with staggering cost overruns, expensive program failures, multimillion dollar procurement scandals, and billion dollar losses in federal programs. These include:

-- the $300-plus billion savings and loan crisis, the worst financial scandal in the nation's history;

-- the $6-8 billion HUD scandal;

-- the Pentagon's purchase of $29 billion worth of unneeded spare parts inventory;

-- a farm program that pays farmers not to grow crops and routinely provides $250,000 subsidies to millionaire agribusiness concerns;

-- an educational system that fails to prepare our young to compete in the global marketplace; and

-- a welfare system that traps generations of inner city residents in conditions of poverty and despair.

Incumbent politicians and bureaucrats have waged cruel war against the family pocket book by failing to index against inflation the tax exemptions for children and dependents.

They have failed to establish a Chief Financial Officer to standardize accounting systems throughout the federal government and implement a systematic strategy for cutting waste and inefficiency.

They adopted only a fraction of the Grace Commission's 2,478 recommendations, wasting more than $270 billion of the taxpayers' money every year since 1984.

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They have even ignored the waste-cutting recommendations of their own agencies, including the hundreds of reports issued every year by the General Accounting Office and the $60 billion in annual savings identified by the Congressional Budget Office.

They have spent billions of dollars every year on pork barrel projects to curry favor with special interests. Recent examples include:

-- $6 million for a fish farm in Arkansas;
-- $500,000 to study the effects of cigarette smoking on dogs;
-- $500,000 to prove that sheepdogs do, in fact, protect sheep.

They have refused to grant the President line-item veto authority, a power indispensable to fiscal responsibility, and threatening to wasteful spenders only.

They have constructed a multitude of new bureaucracies and have sent hither swarms of officials to harass our people and waste their money.

They have luxuriated in foreign lands on taxpayer-supported junkets.

They have proposed to increase spending for the legislative branch to $2.7 billion, which translates into $5 million per member of Congress.

They have corrupted the rule of law, exempting themselves from equal protection, affirmative action, and workplace safety regulations that they impose upon their fellow citizens.

They have given us a tax burden that now consumes 19.4 percent of the gross national product -- full percentage point higher than at the peak of fighting in the Vietnam War.

They have taxed us to the point where the average citizen now works 125 days out of the year just to pay for the soaring costs of government.

They are calling for new taxes even though the IRS has failed to collect $87 billion in delinquent taxes already owed to the government.

They have recklessly expanded government loans, guarantees and insurance programs, creating a hidden $6 trillion mountain of contingent liabilities -- potential losses that do not show up anywhere in the government's annual budget statement. If the economy goes sour -- as it surely will if new and higher taxes are imposed -- taxpayers could find themselves footing the bill for multibillion dollar bank failures, loan defaults, and pension plan terminations in addition to the S&L bailout.

We, the taxpayers of the United States of America, are outraged by chronic deficits, multibillion dollar waste, and a government that is no longer accountable to the people for what it does with their resources. We are sick unto death of oppressive taxation, gross mismanagement and inefficiency, the excessive influence of special interests, and the evisceration of the institutions of self-government. We, therefore, do solemnly publish and declare that taxpayers ought to be free of incompetent, wasteful, and irresponsible government. And we resolve that through the power of the vote, we shall restore to the United States a government of, by, and for the people.

CONTACT: Mark Rhoads for the Council for Citizens Against Government Waste, 202-467-5300

ORGANIZATION: Council for Citizens Against Government Waste

GEOGRAPHIC: District of Columbia

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HEADLINE: THE FOUR PERCENT SOLUTION TO RUNAWAY FEDERAL SPENDING

BYLINE: Scott A. Hodge, Grover M. Hermann Fellow in Federal Budgetary Affairs

BODY:

INTRODUCTION

For most American taxpayers, April 15 usually is painful enough as they rush to file their taxes. This year it is doubly painful as Americans will be reminded of last year's record five-year $ 165.5 billion tax increase. What few Americans realize is that there is to be no gain for their pain. The tax hike was prescribed for Americans by the Bush White House as bitter but needed medicine to reduce the federal budget deficit. It has not. Instead, the tax hike has spurred a huge spending spree on domestic programs that is driving up the deficit from the $ 230 billion promised for fiscal 1991 to more than $ 318 billion. For every new dollar that taxpayers turn over to the federal treasury as a result of last year's budget deal, Congress and the Bush Administration will spend an additional $ 1.83 on domestic programs,making this the largest build-up in domestic spending in three decades.

This year, Washington will collect 19.4 percent of gross national product (GNP) in tax revenues, the highest level in ten years. In only four other years since 1945 have taxes taken a greater share of the economy. What is worse, the spending increases in last year's budget agreement give the federal government over 25 percent of GNP, the highest level since 1946 and up from 22.3 percent in fiscal 1989.

From this it is clear as it has been for years: The cause of the towering federal budget deficit is profligate federal spending, not a shortfall of tax revenues.

Hiding the Spending Binge. The Bush Administration apparently does not yet understand what its budgets are doing to the deficit. The White House claims to hold the growth of federal spending in the budget it proposes for fiscal 1992 to 2.6 percent, well below the rate of inflation. The real rate of total federal spending growth is double this figure, and domestic spending growth is more than three times this figure. What permits the perhaps inadvertent deception about the true increase in spending is how the White House handles the costs of the Savings and Loan (S&L) bailout. It uses what are the one-time costs and later the revenues of the bailout to hide the spending binge and allow claims of fiscal responsibility. When the effect of the S&L bailout are removed from the current budget figures, aggregate spending rises at a 5.4 percent rate, 1.1 percentage points (or 20 percent) above inflation. n1 This follows on the heels of an 8 percent increase in total spending in fiscal 1991, nearly 3 percentage points above inflation.

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n1 Except where noted, spending rates reported here for fiscal 1992 through fiscal 1995 are the baseline growth rates. The Administration has recommended reducing the growth of entitlements by some $ 35 billion over the four-year period. If Congress enacts these changes in fiscal 1992, the growth rate of aggregate federal spending will be lowered to 4.9 percent and the growth rate of domestic spending will be lowered to 7.4 percent.

What is more telling, Bush proposes to boost domestic spending n2 by nearly $ 64 billion in fiscal 1992, an increase of 8.2 percent, or 3.9 points above inflation. When this hike is combined with last year's increase of $ 82 billion, or 12 percent, the two-year total jump in domestic spending is $ 146 billion, a staggering 20 percent. This is over $ 12 billion more than the combined increase in tax revenues during the two-year period. Taxpayers should not be surprised that the deficit continues to rise.

n2 Domestic spending here and below denotes all non-defense spending excluding net interest on the national debt and the costs of the S&L bailout.

Unrealistic Limits. Bush Administration officials claim that the worst is now behind them and that future expenditure are limited by caps that last year's budget agreement imposes rigorously on discretionary spending. n3 To be sure, such limits are good in theory. They never have worked in practice. For one thing, the caps have been set so high for the first years of the five-year budget agreement that spending is assured of soaring. For another thing, current entitlement programs generally are exempt from spending limits. n4 The current spending binge is the result. And to make matters worse, nothing prevents Congress from removing or revising the caps in the future, just as it in effect abolished the limits imposed by the once-famous Gramm-Rudman-Hollings deficit reduction measure when they begin to pinch.

n3 Discretionary programs generally are defined as programs whose funds must be approved by Congress through the annual appropriations process.

n4 Entitlement programs are programs created in such a manner that the government is obligated to make payments to qualified individuals or groups. Here, entitlement spending, also known as "mandatory" or "direct" spending, does not include net interest on the federal debt or the costs and receipts of the S&L bailout.

Bush's 1992 budget proposal continues to heap a particularly crippling burden on American taxpayers with families. Compared to the average family tax burden on four decades ago, the average American family today has lost $ 8,200 in take-home pay due to a steadily increasing tax burden. n5

n5 Robert Rector, "Reducing the Tax Burden on the Embattled American Family," Heritage Foundation Backgrounder No. 824, April 15, 1991.

To control spending, reduce the budget deficit, and make tax relief possible for all Americas, the Administration and Congress could adopt a policy that balances the budget by fiscal 1995, and would do so with no new taxes. Beginning in fiscal 1992, the annual growth rate of all domestic spending should be limited under a unified cap to four percent, the approximate level of inflation. Such a Four Percent Solution, enforced by automatic spending cuts if Congress exceeded the spending targets, still would provide an additional, and predictable, $ 32 billion for domestic programs each year above the previous

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year's level. More important, the Four Percent Solution would save taxpayers $ 255 billion through 1995. This quarter-trillion dollars in savings could be used in three ways: exclusively for deficit reduction, exclusively for tax relief (which is a "deficit neutral" option), or a combination of deficit reduction and tax relief.

Using the savings exclusively for deficit reduction, would produce a $ 36 billion surplus in fiscal 1995.

Using the savings exclusively for deficit-neutral tax relief could:

* Fund a "Family Tax Freedom Plan," which would provide by 1996 a tax credit of $ 1,800 for each child under age five, $ 1,200 for each child aged six to eighteen, and an expanded Earned Income Tax Credit (EITC) for low income working families. n6

n6 For a full description of the Family Tax Freedom Plan see ibid.

* Reduce substantially the tax code's bias against business investment. For example: Allow businesses, after a phase-in period, to subtract from their gross revenues the money they spend on new machinery, factories, and other investments, just as they do the money spent on salaries, office supplies, and advertising. The business' taxable profits thus would be determined by subtracting all expenses from revenues. Known as "full expensing," this would promote vastly increased investment and would lower the cost of capital for American companies. n7

n7 Dan Mitchell, "A Proven Formula to Restore Economic Growth," Heritage Foundation Executive Memorandum No. 295, February 13, 1991.

Using the savings for both deficit reduction and tax relief could:

* Fund a "Family Tax Freedom Plan."

* Balance the budget by fiscal 1996.

NEW TAXES AND PORK BARREL SPENDING

Last year budget summiteers toiled for six months to find ways to head off an expected over-$ 150 billion budget deficit. They need not have done so because there was an automatic way to deal with the problem. Congress and the Administration could have allowed budget cuts mandated by the Gramm-Rudman-Hollings Deficit Reduction Act of 1985 automatically to bring the deficit to $ 64 billion. But claiming that federal spending already had been reduced to bar bones, and that the Gramm-Rudman-Hollings cuts thus would gut essential services, the White House and Congress chose to "solve" the deficit crisis by raising taxes. So doing they ignored hundreds of pork barrel projects which bloat what is claimed to be a "bare bones" 1991 budget. These projects include:

* $ 400,000 for sweet potato research

* $ 200,000 for locoweed research

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* $ 1.7 million for a bee laboratory in Texas

* $ 3.8 million for the Arkansas "Poultry Center of Excellence"

* $ 2.2 million for the Tailored Clothing Technology Corporation in Ames, Iowa

* $ 2.7 million for a fish farm in Stuttgart, Arkansas

* $ 3.3 million for zebra mussel research

* $ 2 million for the National Writing Project

* $ 50,000 for a recreational boating census

* $ 1 million for the National Bicycling and Walking Study

* $ 64 million for the Washington, D.C., subway system

* $ 14.5 million for railroad-highway crossing demonstration projects

* $ 3.4 million for improvements on Fifth-Sixth streets in Waterloo, Iowa

* $ 28 million for the Veterans Administration's "parking garage revolving fund"

* $ 995,000 for a performing arts center in North Miami, Florida

These and scores of similar expenditures funded by the fiscal 1991 budget suggest that policy makers left most of the fat in the budget and made little attempt to trim programs of lesser value to fund those of high priority.

HIGHER SPENDING AND HIGHER DEFICITS

In the two years since Ronald Reagan's final fiscal year budget, 1989, the deficit has soared from $ 131.4 billion to $ 198.6 billion, excluding the S&L bailout costs and the costs of Operations Desert Shield and Desert Storm. This dramatic 51 percent increase is not due to falling tax revenues, but to a huge growth in spending -- especially for domestic programs.

The deficit declined steadily during Reagan's second term because the annual growth in new revenues exceeded the annual growth in new spending by slightly over $ 20 billion per year. This trend was reversed in Bush's first two budgets, those for fiscal 1990 and 1991. New tax revenues grew by $ 40.6 billion in 1990 and $ 60.1 billion in 1991, an average of about 5 percent per year, just over the inflation rate. Total federal spending, however, grew on average by 7.2 percent during those two years, exceeding revenues each year by almost $ 34 billion.

Had the growth of total federal spending, excluding S&L costs, been held to the inflation rate in 1990 and 1991, the deficit would currently be $ 140 billion rather than $ 198.6 billion. And if the growth of total spending continued at the inflation rate through 1995, the budget would boast a $ 31 billion surplus in that year rather than the $ 54 billion deficit now projected.

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As Table 1 shows, the cumulative effect of allowing total federal spending to grow faster than the inflation rate over the six years from fiscal 1990 through fiscal 1995 is $ 415 billion more in deficits. This amounts to an extra $ 2.50 in deficit spending for every new dollar raised in last year's budget deal.

Table 1
Alternative Federal Spending Scenarios
(Billions of Current Dollars)

Fiscal Year	Deficit Had Spending Been Held to Inflation Rate	Actual Deficit	Excess Spending
1989	--	$ 131.4	--
1990	$ 137.4	$ 162.5	$ 25.1
1991	$140.0	$ 198.6	$ 58.6
1992	$ 119.5	$ 195.0	$ 75.5
1993	$ 82.7	$ 166.4	$ 83.5
1994	$ 19.5	$106.1	$ 86.6
1996	+$ 31.2 surplus	$ 54.3	$ 85.4
Total Excess Spending:			$ 414.7

All deficit figures exclude Savings and Loan bailout costs and the eventual profits from S&L asset sales.
Source: Budget of the United States Government 1992.

HUGE DOMESTIC SPENDING INCREASES

Domestic spending growth is the principal cause of the rapid deficit growth. Domestic spending is rising at a far faster rate than the growth rate of total federal spending. Domestic spending jumped $ 142 billion between 1989 and 1991, and accounts for 85 percent of the overall growth in spending. And through 1995, domestic spending will grow 7.6 percent annually, an average of 3.4 points above the inflation rate. This domestic spending growth is masked in part by the reduction, in nominal terms, of defense spending by roughly 3 percent per year through 1995. These reductions are enough to slow the growth rate of aggregate spending. This creates an appearance of fiscal restraint and hides what in fact is fiscal profligacy.

Had this explosion in domestic spending had checked in the fiscal 1990 budget, the budget deficit picture today would be very different. The deficit would be $ 118 billion, $ 80 billion less than the current figure, if beginning in 1990 domestic spending growth had been simply held to the inflation rate. Were this restraint continued through 1995, the budget would show a surplus of $ 133 billion that year rather than a projected deficit of $ 54 billion.

As Table 2 shows, the cumulative six-year deficit impact of this domestic spending spree is almost $ 726 billion. This amounts to an extra $ 4.40 in deficit spending for every dollar of taxes raised by last year's budget deal.

Table 2
Alternative Federal Spending Scenarios
(Billions of Current Dollars)

Fiscal Year	Deficit Had Spending Been Held to	Actual Deficit	Excess Spending

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	Inflation Rate		
1989	--	$ 131.4	--
1990	$ 128.3	$ 162.5	$ 34.2
1991	$ 117.8	$ 198.6	$ 80.8
1992	$ 80.6	$ 195.0	$ 115.0
1993	$ 24.7	$ 166.4	$ 141.7
1994	+$ 60.8 surplus	$ 106.1	$ 166.9
1995	+$ 133.3 surplus	$ 54.3	$ 187.6
Total Excess Spending:			$ 726.2

All deficit figures exclude Savings & Loan bailout costs and the eventual profits from S&L asset sales.
Source: Budget of the United States Government 1992.

FEW LIMITS ON DOMESTIC SPENDING GROWTH

White House and congressional supporters of last year's budget agreement claim that they have established tough new budget procedures to prevent spending from getting out of control. The point to separate spending "caps" that have been placed on domestic, international, and defense spending. The agencies within each of these categories, say the budget accord champions, are restrained in the efforts to fund new programs because they must complete with other agencies for resources.

Another tough procedure pointed to by budget accord boosters is the pay-as-you-go (Pay-Go) provisions on entitlement spending. While entitlements still can grow at the rate dictated by current law, so-called Pay-Go provisions required that any cost hikes brought on by changes in entitlement laws must be "deficit neutral." Thus, if Congress adds new expenditures to current programs or increases spending by creating new programs, these costs must be "paid for" by a tax increase or a spending reduction in other entitlement programs.

In theory, of course, placing caps on the various categories of discretionary spending is a good way to get control of the budget process. The problem is that the spending levels for domestic discretionary programs permitted by last year's budget accord are extremely high. In practice, therefore, they check spending growth no more than a rigorously enforced 100 mph speed limit would check fast driving. The budget agreement's huge spending increase in the first years of the agreement are padding most programs with enough fat to carry them through any spending moderation in future years. Example: the spending caps that have been placed on domestic discretionary spending were set at 9.5 percent growth in fiscal 1991; 6.1 percent above that in 1992; and an additional 5.3 percent in fiscal 1993. (See Table 3).

Note: This table may be divided, and additional information on a particular entry may appear on more than one screen.

Table 3
Domestic Discretionary Spending

Fiscal Year	1989	1990	1991	1992	1993	1994
Total (billions of current $)	$ 169.00	$ 182.50	$ 199,80	$ 212.00	$ 223.20	$ 228.90
Annual Change Projected	--	7.99%	9.48%	6.11%	5.28%	2.55%

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Inflation Rate*	--	4.15%	5.37%	4.31%	3.96%	3.70%
Percentage Point Change Above Inflation	--	3.19	3.78	2.01	1.48	-.95

Fiscal Year	1995	
Total (billions of current $)	$ 231.70	
Annual Change	1.22%	
Projected Inflation Rate*	3.71%	
Percentage Point Change Above Inflation	-2.28	

* Based upon the Composite Deflator.
Note: The Budget Summit set spending caps for the Domestic Discretionary category only for fiscal years 1991 to 1993. Fiscal years 1994 and 1995 have been estimated by OMB
Source: Budget of the United States Government 1992.

Domestic discretionary spending in 1993 will be 22 percent, or $ 40 billion, higher than Bush's first budget in 1990, and 33 percent, or $ 54 billion, larger than Reagan's last budget in 1989. This massive boost will send domestic discretionary spending to its highest annual constant dollar level since Jimmy Carter's last budget, after adjusting for inflation. Over the past three decades, in fact, only the Carter Administration consistently spent as much in real terms on domestic discretionary programs as is now being spent by Bush. Chart 1 compares the average four-year inflation-adjusted spending levels of the past five presidents.

Misleading Caps. The high levels of the budget summit's caps make a mockery of instituting caps at all. These high ceilings will require little reordering of program priorities and little trade-off of funding. The Bush Administration, for instance, tries to boast that its proposed fiscal 1992 budget would terminate 3,591 projects within 238 domestic discretionary programs and would trim spending for an additional 261 projects within 109 programs. These cuts ostensibly will save the taxpayer about $ 2 billion in fiscal 1992 and about $ 13 billion in future spending commitments.

This sounds good. The trouble is that it is at best misleading and possibly even deceptive. Because the 1992 spending cap is set at 6.1 percent above the 1991 cap, the Administration can boost spending for 250 other major programs by nearly $ 11 billion, and raise the budget authority for those programs by $ 17.8 billion. Thus, taxpayers end up the losers in this trade-off because the high cap levels force no real cuts or force no genuine evaluation of the relative merits of these programs.

TESTING ENTITLEMENT SPENDING CURBS

The rules from last year's budget agreement governing spending for entitlement programs, like Medicare, food stamps and aid for women with dependent children, have yet to be fully tested. Under the rules, any

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entitlement cost increases that result from changes in legislation must be "deficit neutral." Thus entitlements are allowed to grow according to the rates Congress has already established in current law, but any spending increases Congress adds through new laws must be "paid for" by a tax increase or an equal spending reduction in other entitlement programs.

Note: This table may be divided, and additional information on a particular entry may appear on more than one screen.

Table 4

Entitlement Spending

Fiscal Year	1989	1990	1991	1992	1993
Total (billions of current $)	$ 459.3	$ 510.3	$ 574.8	$ 626.3	$ 671.0
Annual Change	--=	11.1%	12.66%	8.96%	7.14%
Projected Inflation Rate*	--	4.15%	5.37%	4.31%	3.96%
Percentage Point Change Above Inflation	--	6.95	7.3	4.65	3.18

Fiscal Year	1993	1995
Total (billions of current $)	$ 718.3	$ 765.1
Annual Change	7.05%	6.52%
Projected Inflation Rate*	3.70%	3.71%
Percentage Point Change Above Inflation	3.35	2.81%

* Based upon the Composit Deflator.

Note: Totals exclude net interest on the national debt and S&L bailout costs.
Source: Budget of the United State Government 1992.

As with other parts of the budget accords, the rules governing entitlement appear good in theory but are sure to stumble in practice. The "zero-sum" enforcement procedures, for example, are in many respects moot because spending on entitlement programs under current law is now projected to grow by over 8.5 percent per year through 1995. Since last year's summit, the costs of entitlements have been revised and reestimated to reflect changing economic conditions, such as higher inflation and greater demands placed on such programs owing to rising unemployment and other effects of the recession. The resulting new figures now exceed the levels agreed to by the summiteers by a cumulative $ 183 billion by fiscal 1995. This spending jump is nearly $ 20 billion higher than the five-year increase in new taxes.

The Bush Administration acknowledged this trend in entitlement spending in its 1992 budget and recommended trimming roughly $ 35 billion from this growth by 1995. If these changes are adopted by Congress, they will slow entitlement growth only modestly from the 8.5 percent average to an 8.2 percent average per year.

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A FOUR PERCENT SOLUTION

Since the caps on discretionary expenditures and the Pay-Go rules for entitlements have allowed spending to increase to record levels, the most effective method for controlling spending is a unified cap on total domestic spending, excluding net interest on the federal debt and the S&L costs. This unified cap should be fixed at four percent above the previous year's level, roughly the rate of inflation. Such a Four Percent Solution initiated in fiscal 1992, and enforced by automatic spending cuts if Congress exceeded the established spending limits, would save taxpayers $ 255 billion by 1995.

This quarter-trillion dollars in savings could be used for deficit reduction, tax relief, or both. If the entire savings is used exclusively to reduce the budget deficit, the budget would be running a happy $ 36 billion surplus in 1995. If the entire amount is used exclusively to reward Americans with tax relief, a plan which does not lower or increase the deficit, around $ 1,400 per child in tax relief could be given to every family each year, and the tax bias against business investment could be reduced substantially, if not eliminated. American families in particular have been the biggest losers during Washington's latest spending binge. A third option would apply roughly two-thirds of the savings toward family tax relief and the remaining savings toward deficit reduction, in which case the deficit would be balance by 1996. n8

n8 See Rector, op. cit.

Long-Term Contract. The Four Percent Solution is much like a long-term union contract on which the worker can count for a specific percentage pay increase every year of the contract. In this way the worker can plan how his or her family will allocate the new money within the family budget.

Beginning in fiscal 1992, the Four Percent Solution would Provide policy makers each year with an additional $ 32 billion above the previous year's base level for new spending within the pool of domestic programs. This new money can be allocated throughout domestic programs as policy maker see fit. If this new money is not enough to fund all of the priorities set by the White House and Congress, then other less valuable programs must be reduced or eliminated to make up the additional needs.

Last year's budget accord has ruled out a Four Percent Solution. The budget summit erects "firewalls" between three categories of discretionary spending -- domestic, international, and defense -- and another firewall between these categories and entitlement programs. The firewall between domestic discretionary spending and defense spending wisely prevents Congress from cutting defense spending to increase domestic spending. Unwise, however, is the firewall between domestic entitlement programs and discretionary programs. Just as all of the programs that comprise the nation's defense needs should compete equally for the funds dedicated to that purpose, so too should all of the programs that comprise the nation's domestic interests compete equally for the available domestic resources.

Erroneous Perception. The enforcement mechanisms also have made tax relief very difficult. The rules governing tax cuts, such as those imposed on entitlement increases, require any changes to be "deficit neutral." Therefore, tax cuts must be "paid for" by raising other taxes or cutting entitlement programs just as increases in entitlement spending must be "paid for" by tax

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increase or equal entitlement cuts elsewhere. The unhappy results of these rules, however, is that they create the erroneous perception that reducing the tax burden for American workers can only be achieved by reducing entitlement benefits for the poor.

This aspect of the Pay-Go rules would be eliminated under a Four Percent solution policy. Reducing benefits for the poor should not have to be a trade-off for cutting taxes for all workers. The rule requiring a hike in taxes to cover an increase in spending also would be eliminated under the Four Percent Solution. Congress repeatedly has lured taxpayers into tax increases to pay for new entitlement programs even when new programs duplicate or contradict existing programs. In time the cost of these programs mushrooms and so too does the bill to the taxpayer. The budget rules thus should force Congress to reevaluate old programs before it initiates any new ones. This means keeping the Pay-Go requirement that any spending increase be met by a spending reduction elsewhere in the budget. This would be an effective method of preventing the expansion of entitlement programs.

Eliminating the firewall between domestic discretionary spending and entitlements also would benefit the taxpayer. The firewall has insured that tax cuts cannot be traded for cuts in pork barrel programs or other unnecessary discretionary programs. Creating a unified cap on domestic spending and allowing the exchange of tax cuts for spending cuts in any domestic spending area would add a new dynamic to budgeting. With such a change, programs not only would have to compete with other programs for available resources, but they would also have to compete with taxpayers' demands for tax relief.

Keeping the "Mini-Sequester." Lastly, a Four Percent solution budget plan would keep the "mini-sequester" rule now in place for discretionary spending. The "mini-sequester" requires across-the-board spending cuts within the discretionary category if Congress breaches the spending caps at any time during the fiscal year. A unified Four Percent Solution cap would simply distribute the "pain" of a mini-sequester across a larger number of programs. In effect, this is the same sequester format used in the original Gramm-Rudman-Hollings law. The new format, however, applies the rule on an on-going basis rather than at the end of the fiscal year, as was the case under the old Gramm-Rudman law.

Members of Congress may be uncomfortable with the limitations imposed by the Four Percent Solution. They may say that a four percent, or $ 32 billion, increase in domestic spending above last year's basis is not sufficient to meet the urgent needs of the country. What they are really saying is that $ 32 billion in new spending every year plus the $ 1.3 trillion in "base" spending are not enough to maintain essential programs and to fund pork barrel and special interest programs. Yet, the Four Percent Solution offers even these lawmakers something that they should value: the ability to cut their constituents' taxes. n9

n9 Some lawmakers, who may otherwise support the basic concept of the Four Percent Solution, might want to allow a higher growth rate of domestic spending. A Five Percent Solution, for instance, would save taxpayers $ 170 billion by 1995. Were these savings applied directly toward deficit reduction, the budget would be balanced by 1995. The appendix displays a comparison of five alternative spending cap plans.

CONCLUSION

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As taxpayers dutifully send in their tax returns to meet the April 15 deadline, they are justified if they feel betrayed by how Washington has handled the federal budget in the past two years. Policies that for eight years had slowed the growth of spending and, in turn, slowly reduced the deficit, were abruptly shelved by the Bush White House and Congress and replaced by record tax hikes, soaring domestic spending, and, consequently, towering deficits.

Washington now taxes nearly 20 cents of every dollar produce by the American economy and now consumes 25 cents of every dollar, when taxes are combined with the borrowing to finance the national debt and the S&L crisis. Both of these levels are at historic proportions and show no signs of falling soon. Washington's big spenders -- in the White House and on Capitol Hill -- have betrayed taxpayers by attempting to hide their record spending spree with a series of budget gimmicks, such as using the fluctuating one-time costs of the S&L bailout to mask huge increases in permanent domestic programs.

Honest Attempt. The Four Percent Solution would be an honest attempt to control the federal budget. It would avoid the need for future tax hikes and even allow for substantial tax relief. The only pain inflicted by this policy is on the big spenders in Washington and the special interest groups who repeatedly win backing for their special and costly programs. By limiting the growth of total domestic spending to just four percent per year, the average American Family each year could receive $ 1,400, in tax relief for every dependent child.

The Washington establishment has abused the sound concept of spending caps to fool taxpayers into the notion that spending growth has been slowed. Like a bear that fattens itself before a winter's hibernation, the big spenders have stuffed the budget full of higher spending that most programs will live off if the spending growth rate slows down. Come spring, the cycle will begin again and the big spenders will be hungry for more new spending. A unified four percent spending cap will curb their hunger.

APPENDIX

The proposed policy calls for limiting the growth of domestic discretionary and domestic mandatory spending under a single unified spending cap. The figures below show the effects of a unified cap limiting the growth of total domestic spending at various rates. All figures exclude S&L bailout costs and revenues and net interest in the federal debt which would be exempt from the growth cap.

Savings From Alternative Plans Capping
the Growth Of Domestic Spending
(Billions of Current Dollars)

Fiscal Year	1991	1992	1993	1994	1995	Four-Year Total Savings
4% Cap on Growth of Domestic Spending						
Current Baseline Level	774.70	838.30	794.20	947.20	996.80	
New 4% Cap Levels	774.70	805.69	837.92	871.43	906.29	
Savings From Baseline Levels	--	32.61	5628	75.77	90.51	255.17
4.5% Cap on Growth of Domestic Spending						
Current Baseline Level	774.70	838.30	894.20	947.20	996.80	

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New 4.5% Cap Levels	774.70	809.56	845.99	884.06	923.84	
Savings from Baseline Levels	--	28.74	48.21	63.14	72.96	213.04
5% Cap on Growth of Domestic Spending						
Current Baseline Level	774.70	838.30	894.20	947.20	996.80	
New 5% Cap Levels	774.70	813.44	854.11	896.81	941.65	
Savings from Baseline Levels	--	24.86	40.09	50.39	55.15	170.49
5.5% Cap on Growth of Domestic Spending						
Current Baseline Level	774.70	838.30	894.20	947.20	996.80	
New 5.5% Cap Levels	774.70	817.31	862.26	909.68	959.72	
Savings from Baseline Levels	--	20.99	31.94	37.52	37.08	127.53
6% Cap on Growth of Domestic Spending						
Current Baseline Level	774.70	838.30	894.20	947.20	996.80	
New 6% Cap Levels	774.70	821.18	870.45	922.68	978.04	
Savings from Baseline Levels	--	17.12	23.75	24.52	18.76	84.14

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

GRAPHIC: Chart, Average Annual Domestic Discretionary Spending, Heritage DataChart

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Congress Stumbles On Honors For Welk

BYLINE: By ADAM CLYMER, Special to The New York Times

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BODY:

Congress hardly ever got into as much trouble over $500,000 as it did last fall, when it appropriated that sum to develop a museum at Lawrence Welk's birthplace in Strasburg, N.D.

The appropriation was scorned outside the capital as the epitome of selfish pork barrel spending at a time when the poor, or even the military, were not being suitably taken care of. And though the appropriation is only $919 per member, it got little more respect in the Capitol. On the House floor, Representative Silvio Conte, Republican of Massachusetts, asked: "What will they do for an encore? Earmark funds to renovate Guy Lombardo's speedboat? Or restore Artie Shaw's wedding tuxedo?"

So last Thursday night, after providing aid to Israel and voting to warn other nations to pay up on their Persian Gulf cash pledges, the House tried to undo the damage by voting to cancel the appropriation.

Representative Jim Slattery, a Kansas Democrat, led the attack. He did not say whether he thought honoring the polka-playing band leader was intrinsically worthy or not. Instead, he complained that the appropriation in honor of the accordionist had been slipped through a conference committee when nobody in the House was paying attention.

The old-school chairman of the Appropriations Committee, Representative Jamie L. Whitten of Mississippi, patiently tried to explain that the Senate had proposed the spending, and that if the Senators from North Dakota thought this project was worthwhile he would trust their judgment. In just the same way, he said, it was all right when Mr. Slattery asked for money for projects that just happened to be in Kansas.

Translation: North Dakota's Quentin N, Burdick heads the Senate Appropriations subcommittee on agriculture and rural development and is in his 31st year in the Senate, just 19 less than Mr. Whitten has spent in the House. If he wants half a million dollars for his state, why fight it? Your turn for pork will come, too.

But another Kansas Democrat, Representative Dan Glickman, offered an even more telling reason for repeal: "It did cause us a lot of national embarrassment."

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(c) 1991 The New York Times, March 12, 1991

North Dakota's entire House delegation, Representative Byron L. Dorgan, rose to protest. The Democratic lawmaker asked if the Welk project's goal of developing tourism in a drought-ridden section of his state was much less worthy of Federal money than the Agricultural Hall of Fame in Bonner Springs, Kan.

He characterized the approach as "What's in your district is waste and what's in my district is fine."

Then he proposed to rescind a few other recent appropriations: $590,000 for a vistor's center at Fort Larned National Historic site in Kansas; $125,000 for a study of Wilson Lake, Kansas; $150,000 for a feasibility study of a Pony Express visitors center in Marysville, Kansas, and $3,731,000 for the Throckmorton Plant Science Center at Kansas State University. And because an Ohio Republican, Representative John Kasich, had co-sponsored the Slattery amendment, Mr. Dorgan proposed eliminating $516,000 appropriated to make a memorial of President William McKinley's Ohio home.

Mr. Whitten, though facing defeat on the Welk project, wasn't about to let uppity, fortyish representatives get out of control, changing things on a bill out of his committee (with items like $1.5 billion for food stamps and a directive to the Pentagon to modernize a dozen Grumman F-14A's), so he raised a point of order against the Dorgan amendment and it was thrown out.

Then the House began to get a bit goofy. Representative Robert S. Walker, a Pennsylvania Republican, said that when the vote was tallied the presiding officer should go "and a one, and a two, and. . . ."

Representative Dennis E. Eckart, an Ohio Democrat, was in the chair, and he recalled the Welk television dancers as he proclaimed, "The chair will resist counting Bobby and Cissy in the corner." But soon he was waving his arms and counting with both forefingers as though he was conducting. He counted the vote as 71 to 11 to kill the project.

Why all the silliness at the end? Because it was mostly for show. No one expects Mr. Whitten to go to the mat against Mr. Burdick to kill the Welk project when the supplemental appropriations bill gets to conference.

NAME: WELK, LAWRENCE; CLYMER, ADAM

GEOGRAPHIC: STRASBURG (ND)

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1ST STORY of Level 1 printed in FULL format.

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May 17, 1991, Friday, NASSAU AND SUFFOLK EDITION

SECTION: NEWS; Pg. 8

LENGTH: 788 words

HEADLINE: PEOPLE

BYLINE: Edited by Al Cohn

KEYWORD: COLUMN

BODY:

Ted Turner

School 'Doesn't Want Women'

Ted Turner could say that if indeed he is biased, at least he expresses his feelings with a sense of equality, in a way.

For instance, he discussed the males-only admission policy of The Citadel, the Charleston, S.C., military college, this week on "Larry King Live" on CNN, his own TV news network. "If a woman wants to go to one of the military academies, there's West Point [and the] Air Force Academy," The Associated Press quoted Turner as saying. "The Citadel doesn't want women there."

But he backs women-only charters as well. "I think there ought to be schools that just have women if they want to," he said. "Not everybody ought to be forced to be homogenized."

Turner's three sons are graduates of The Citadel, which is one of the two state-supported military schools in the country that bar women cadets. The Virginia Military Institute in Lexington, Va., is the other.

Lawrence Welk

Champagne Stays in Bottle at Opening

Sometimes, especially when the government is involved, it isn't the actuality of a situation that's important, it's the widespread perception that matters.

A perfect example was this week's official opening of Lawrence Welk's boyhood home in Strasburg, N.D. It was a low-key affair, nothing like the gala that would have taken place if a museum dedicated to German-Russian immigrants had graced the town as well. Plans for such a museum had to be scrapped for lack - or rather, loss - of money, which is where the issue of perception enters the scene.

The immigrants museum was supposed to be built with a $ 500,000 federal grant approved last year by Congress. But somehow word got around that the money was to be used to refurbish the Welk home, or to build a Welk museum. As recently

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as last weekend, President George Bush denounced Congress for promoting "vast spending bills, such as a federal grant to study . . . a Lawrence Welk museum. "

In fact, the Welk home never sought government funding and was restored with $ 197,000 in private donations, including $ 105,000 from the Welk family, but the misconception persisted. Under heavy criticism, Congress voted to withdraw the grant.

And so, the residents of tiny (pop. 600) Strasburg had to be satisfied with the opening of the Welk house on Wednesday, an occasion diluted further by the champagne music king's decision to remain at his present home in Santa Monica, Calif. At 87, he seldom travels. Guests at the Strasburg home were greeted instead by a life-size cardboard cutout of the bandleader.

Geena Davis

A 'Beautiful-Goofy Face'

Meant for Superstardom

No one suggests that Geena Davis is unknown, or even only moderately well known. She did win a 1988 best-supporting Oscar for "The Accidental Tourist," and is there anyone out there who didn't see her offbeat character in "Beetlejuice"?

The current issue of Vanity Fair praises Davis for all her movies and is pushing hard for superstardom for the 34-year-old actress from Ware, Mass.: "Her lanky, 6-foot body seems made for awed, toe-to-head pan shots, concluding in closeups of a beautiful-goofy face which often appears slightly surprised to find itself at such . . . [a height]." But, the magazine says, the best is coming soon: "Nothing could have prepared us for her dazzling, carefully calibrated work in the current 'Thelma & Louise' . . . in which Davis plays a loutish carpet salesman's baby-doll wife, who . . . is transformed into a feminist pirate."

Dave Barry

Humorist/Candidate Has Some Campaigning to Do

Dave Barry is a humorist who writes a syndicated newspaper column out of Miami, and he has gotten the first reaction to his having declared himself a candidate for president. His readers think he must be joking.

Based on the results of a poll released this week, The Associated Press reported that he is hardly a household name, even in Miami, where his household is situated. Barry has called himself the front-runner for the Democratic nomination - former U.S. Sen. Paul Tsongas of Massachusetts is the only other announced Democratic candidate - but a survey of 843 voters found that Barry is less well-known than Tsongas in Miami, where his column appears in The Miami Herald.

Four out of five respondents had no clue who Barry was, and only 2 percent knew he was a humorist. He also finished last in recognizability among 15 potential Democratic candidates. Yet Barry, 43, appeared confident. "This is

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April 22, 1991, Monday, BC cycle

LENGTH: 715 words

HEADLINE: LAWRENCE WELK'S HOMETOWN IS STILL MAD

BYLINE: By Dennis Blank

DATELINE: STRASBURG, N.D.

KEYWORD:
WELK

BODY:

The 600 people of Strasburg, the prairie hometown of band leader Lawrence Welk, are hopping mad.

They feel they have been maligned, embarrassed and subjected to national ridicule all because of a $500,000 federal grant.

What members of Congress, the news media and others got wrong, Strasburgers say, was the idea that they were after a quick half-million dollars to fix up the Welk family homestead so it could become a tourist attraction.

"They got the wrong story right off the bat and kept repeating it," says Gary Satern, 50, curator-coordinator for Welk Heritage Inc., the organization that is restoring the homestead where Welk was raised by his German-Russian immigrant parents.

"I don't think they got the right information," says Mayor Egidi Roehrich, 63. "It must have been a misunderstanding."

Members of Congress held up the grant as the worst example of pork-barrel politics, an ill-advised piece of spending at a time when penury is official Washington's password. The money was deleted from the legislation but later put back, and may eventually get to Strasburg. But, residents say, it will not be spent on Welk's home, and was never intended to be.

In fact, not a cent of the taxpayers' money has gone into the Welk home, located about 3 1/2 miles northwest of town, Satern claims. None of the politicians who criticized the project ever bothered to get any facts about it, he said.

The $220,000 that was spent to restore the home all came from private donations, including $105,000 from the bandleader's family.

The $500,000 grant sought by the community was actually for a German-Russian museum that will be located next to the Welk house, a structure originally made from clay and straw blocks.

The federal grant was also designed to provide a revolving loan fund to help stimulate small businesses to accomodate the tourist trade.

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The publicity hasn't been all bad. Satern now expects between 15,000 and 20,000 tourists this summer because of it. He is scrambling to get the Welk barn fixed up by June for dances and an accordian players' competition.

Welk, now 88, said through his family in Los Angeles that he doesn't want any federal funds going into the restoration.

But the ripple effect persists. Townsfolk claim that no matter where they go, they get needled about the money.

"Last night when I went to my Lamaze class reunion (in a nearby town)," said schooltearcher Thora Hanson, 38, "there was a comment made about it again. A woman said, 'What's Strasburg doing with all that money?"'

Others say that when they travel to other states and tell people where they are from, they get teased.

"I think it is pretty stupid of some people hollering about the $500,000 going here," said Lori Carlson, 28, a grocery store clerk, "especially when the state and federal government spend thousands and millions on all those stupid surveys."

"I think there was a lot of misunderstanding," said Postmaster Matt Lipp, 47. "The publicity that got out on it started it on the wrong foot."

Even so, townspeople hope the Welk home will bring enough tourists to help the local farm-based econmomy, which has been battered in recent years by a continuing drought.

"We started out trying to save a house and wound up trying to save a town," Satern said. "The economy here has been absolutely terrible. People are having to move out."

The Welk homestead, which has been nominated for the National Historical Registry, was already drawing tourists--about 2,000 came last year- even before volunteers began fixing it up.

The rural development grant was necessary to have the seed money for a restaurant, antique shops, and perhaps even a motel, backers say.

" Lawrence Welk's parents were German Russians who migrated here in the late 1800s," Satern said. "His name will draw people for the next 10 to 15 years."

When Welk last visited Strasburg, in 1976, Satern's group had a painting made of him sitting in a late-model car at the family farm. The painting has been turned into a postcard that will be sold along with T-shirts and key chains.

Welk has supported the town for years, donating $4,500 for a new cover for the local swimming pool and $14,000 for repairs on the pool, among other things.

"He doesn't forget where he comes from," Eiseman said.

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