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November 14, 1991

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVE DEMAREST
TONY SNOW

FROM: DAN MC GROARTY

SUBJECT: OEGB TELECONFERENCE WITH THE FORTUNE 500 FORUM

I. SUMMARY

On Friday, November 15, at 10:25 a.m. you will deliver remarks via satellite from Room 459, OEGB, to an audience of 150 *CEO's* at the Fortune 500 Forum in Charleston, South Carolina.

II. DISCUSSION

due com 3 my don -
Your remarks (approximately 7 minutes / teleprompter) share your views on how to turn the economy around and Congress' refusal to overhaul the antiquated bank system, act on key nominations, or vote on your package of growth initiatives. *highlight*

Following your remarks, Fortune publisher Jim Hayes and Fortune managing editor Marshall Loeb will each ask you one question. You will be provided talking points on cards.

*+ from
Copp.
Leads*

*1st Admin speaking
prior + following*

*A LOEB 1ST Q
ECON. AM. BIS.
A HAYES 2ND Q.
AM. 2000*

McGroarty/Bunton
November 14, 1991
8:00 pm
[500]

PRESIDENTIAL REMARKS: FORTUNE 500 TELECONFERENCE
Rm. 459, OEOB
NOVEMBER 15, 1991
10:25 A.M.

Thank you, Jim [Hayes, publisher of Fortune]. // Greetings to Marshall Loeb -- and my thanks to all for this opportunity to address the people who produce a good chunk of the Gross National Product. // Bringing all of you together is a real service -- and proves once again why Fortune is one of America's leading economic indicators.

In the super-charged competitive atmosphere you call home, there's never room for complacency. The world doesn't care much about yesterday's track records -- it wants to find the restless man or woman with the next new idea. This year, a new element overshadows the normal quest for excellence. Times have been tough. As you look ahead, plan for the future, you worry about the economy.

Let me just take a moment to share a few thoughts about how we can get this economy growing. / As you might know, our long-term growth strategy is founded on several important elements:

First, we know we've got to get that deficit down. We've got to keep inflation under control -- as it is right now. We've got to sustain the policies that helped bring interest rates to these historic low levels. / We've got to keep American business competitive: slash red tape and regulations wherever

possible -- draw the line against government mandates that shackle entrepreneurial initiative. Competitiveness means real tort reform -- capping these sky's-the-limit liability awards. We've got to expand our commitment to quality education and job training, to ensure a workforce ready for the challenges a new century will bring.

Finally, we've got to make certain American businesses compete on an equal footing -- and that means a commitment to the principles of free and fair trade. You know first-hand that exports have become a driving force in our economy. Strong exports cushioned our economic downturn: Total gross exports last year accounted for virtually all of our growth. //

I know that many of you -- especially in the service sector and in agriculture -- pay a price for being closed out of foreign markets. We're pushing hard in the Uruguay Round to bring down trade barriers, to open more markets to American goods and services. // Jim Baker took the free trade message to Japan -- and I delivered it myself to the European Community last week at The Hague. / Closer to home, we've won fast track authority for a North American Free Trade Agreement linking the U.S., Canada and Mexico. Yesterday I met here at the White House with Argentina's President Carlos Menem. He's strong on our Enterprise for the Americas Initiative to transform this entire hemisphere into a free trade zone. // These solid, forward-looking initiatives will pay dividends down the road -- in



MENEM

increased growth, new markets for American products, new jobs for American workers. //

I'm confident our long-term... But there are steps we've got to take right now -- no more delay. / Let's start with the overhaul of our antiquated bank system. Every one of you knows how the problems in our banking system plague this economy. In March, I sent up to Congress the first comprehensive bank reform since the 1930s -- reforms that would bring American banks into the age of the ATM and the 800 number. // Unfortunately, it looks like Congress will head for home without enacting meaningful reform. //

For three years now, I've proposed a package of growth initiatives. We've got good proposals on Capitol Hill right now: Not just capital gains -- but incentives to encourage saving, like our Family Savings Accounts. Increased funding for federal R&D to help keep American business competitive. Measures to help first-time buyers tap their IRA's to buy that new home; enterprise zones to unleash the urban entrepreneur. Each one initiatives would give a sluggish economy a needed boost. //

So far I've spoken about ways we're trying to turn things around. Now, let me tell you what we won't do. The first rule of economic policy puts me in mind of the Hippocratic oath: Do no harm. // We're going to draw the line against the budget-busters, resist the quick fix solutions out there -- from the folks who would have you believe they can reach in, flip a lever here, turn a knob there, and fine-tune a five-trillion dollar

Pete Buntun & Team
566-2378
11/14/91

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McGroarty/Buntun
November 13, 1991
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Alamy
Hill

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PRESIDENTIAL REMARKS: FORTUNE 500 TELECONFERENCE
Rm. 459, OEOB
NOVEMBER 15, 1991
10:25 A.M.

Thank you, Jim [Hayes, publisher of Fortune]. // Greetings to Marshall Loeb -- and my thanks to all for this opportunity to address the people who produce a good chunk of the Gross National Product. // Bringing all of you together is a real service -- and proves once again why Fortune is one of America's leading economic indicators.

Fortune
is not
an economic
indicator
or statistic

In the super-charged competitive atmosphere you call home, there's never room for complacency. The world doesn't care much about yesterday's track records -- it wants to find the restless man or woman with the next new idea. This year, a new element overshadows the normal quest for excellence. Times have been tough. As you look ahead, plan for the future, you worry about the economy.

Today I want to share my views about how we can turn this economy around: what we've been doing, what we've tried to do - and finally, what we won't do. //

* hopefully already in right dir.
appear
confident
econ.
move
forward.

Let me start with our long-term growth strategy -- built on the principle of free and fair trade. You know first-hand that exports have become ^{a strong} ~~the driving~~ force in our economy. Strong exports cushioned our economic downturn: ^{Total gross} Exports increased right

Note:
exports have
fallen off -
are not the
driving force
(Treasury)

third quarter exports dropped off

2

safer to say
virtually all than
use a #1 or 2

through the recession -- and last year, accounted for more than ^{virtually all (recession)}

80 percent of our growth. //

I know ^{(that many) (OCA)} these of you, ^{(including those) (OCA)} in the service sector and the

agriculture industry, especially pay a price for being closed out

of foreign markets. We're pushing hard ^(Treasury) to bring down trade

barriers in the Uruguay Round, to open more markets to American

goods and services. // Jim Baker ^{(and Carla Hills) (WTK)} took the free trade message to

Japan -- and I delivered it myself to the European Community last ^{trip}

week at The Hague. / Closer to home, ^{(were working toward) (OCA)} ~~we've won fast track~~ ^{NOV. 6th}

~~authority for~~ a North American Free Trade Agreement linking the ^{and have won agreement from Congress to use the fast track process to give us an up-or-down vote on the final deal.} U.S., Canada and Mexico. Yesterday I met here at the White House ^(OCA)

with Argentina's President Carlos Menem. He's strong on our

Enterprise for the Americas Initiative to unite this entire

hemisphere in ^{to} ~~the world's first~~ ^a free trade zone. // These

solid, forward-looking initiatives will pay dividends down the

road -- in increased growth, new markets for American products,

new jobs for American workers. //

But we can help right now. {{I'm pleased that we've been able to reach agreement with Congress on extending unemployment benefits in a way that doesn't break last year's budget agreement.}} But I'm sorry to say that, beyond unemployment benefits, every one of our efforts has hit a stone wall. That's right -- they're stuck inside the Beltway's version of the Bermuda Triangle: Capitol Hill. //

Start with the overhaul of our antiquated bank system.

Every one of you knows how the problems in our banking system

WTK:
More than
80%
(Treasury)

WTK:
Not
accurate to
say world's
first free
(Treasury)

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LAWRENCE
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(OCA)
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PRESS
OFFICE

plague this economy. In February, I sent up to Congress the first comprehensive bank reform since the 1930s -- reforms that would bring American banks into the age of the ATM and the 800 number. // Congressmen, marching to the beat of special interests, systematically gutted that bill -- then set it aside. ~~And as of yet, they have not completed their task.~~ Now, Congress heads for adjournment with no bill in sight. //

We've been hamstrung on the federal level by the Senate's lack of action on key nominations. You as CEOs know you can't run your business without strong senior VPs. The same is true of the Federal government. Yet the Senate rejected Bob Clarke, my nominee for Comptroller of the Currency -- after eleven months, and 30,000 pages of documentation -- on a straight party-line vote. On the Fed, they're dragging their feet: it's been nearly four months since I nominated Alan Greenspan for a new term as Chairman -- and nine months since I named Larry Lindsay to fill the Fed's vacant seat. //

For three years now, I've proposed a package of growth initiatives. Not just capital gains -- but incentives like Family Savings Accounts to encourage saving; measures to help first-time buyers into that new home; enterprise zones to unleash the urban entrepreneur: Each one would give a sluggish economy a needed boost. Congress won't even put them to a vote. //

Time and again, Congress has failed to act. They say they're for competitiveness. Yet when we proposed the permanent extension of the Research and Experimentation Tax Credit

~~So business could plan based on stable rules -- Congress has given us two temporary Congress did nothing.~~ The R&E Credit expired October 1st.

extension and we may not even get that this time around. (Treasury)

Now Congress is set to vote on this today

* implies can be sluggish for 3 yrs.

Note: the Family Savings Account proposed in 1990, not 3 yrs. ago (Treasury)

Cong. extended twice

Calendar yr.
not fiscal yr.
tax policy people
said Cong. has not authorized
or funded @ yet - in limbo
should have done, but haven't yet

4

~~Congressional leaders say they're for jobs. Yet October 1st~~
~~marked the end of the Targeted Job Tax Credit -- a measure that~~
~~helps the hard-core unemployed find work. // They say they're~~
~~for housing. Yet the Low-Income Housing Tax Credit we sought to~~
~~extend -- once again, expired October 1. //~~

So far I've spoken about ways we're trying to turn things
around. Now, let me tell you what we won't do. The first rule
of economic policy puts me in mind of the Hippocratic oath: Do
no harm. // We're going to resist buying in to the snake-oil
solutions out there -- from the folks who would have you believe
they can reach in, flip a lever here turn a knob there, and fine-
tune a five-trillion dollar economy. Pressure's building as we
enter 1992 -- but let me say right now: we won't sacrifice long-
term economic health to short-term political gain. //

Once again, my thanks to all of you. / Now, Jim and
Marshall, I'll be pleased to take some questions.

Q & A:

1. In America 2000, you set out national education strategies,
and in Secretary Alexander and Deputy Secretary Kearns you have
selected fine people to lead the effort. What can business
leaders do to help, and what especially can we do to accelerate
the pace of education reform?

First, let me second the motion: I am fortunate to have
Secretary Alexander at the helm -- and I'm delighted we managed

Note:
these
provisions

expire
Dec. 31st 1991

not Dec. 1

(ready)

to lure David Kearns from the upper reaches of the corporate world to take on a new challenge in America's classrooms.

We are serious about igniting a revolution in American education. Business can do a great deal to help us along the road to America 2000.

insert for bottom page
~~First, as "consumers:" You have a vested interest in the quality of American education. One element of America 2000 calls for bringing the corporate community into our classrooms. You can anchor our education reform in "real world" concerns -- bring the needs of the market to our schools.~~

Second, we need your help as reformers: The business community volunteers millions of hours serving as mentors in our schools -- contributes billions of dollars supplying technology and supporting innovative ideas in education. Some of you are helping to fund a revolutionary experiment in education reform called the New American Schools initiative. Let me extend an open invitation to all of you: Bring your ideas to the table -- help us break the mold -- reinvent American education to meet the needs of a new century, and help fund the effort. (Education)

Third, we need your help as teachers. Go into our schools, share your wisdom. But don't stop there. Bring the classroom into your companies. Help those workers who desperately want to learn how to read and write master the basic tools of literacy. Help your employees learn new skills -- better themselves -- for the good of their careers and your companies. //

** You should work with your state legislatures to remove barriers to changing education and be part of your state or community 2000 effort who are working to transform their schools. (Education)*

If we've made a mistake in the past, it's been leaving education to the so-called "experts" -- cutting off our schools from the outside community. America 2000 breaks down those barriers. I see the business community as an ally -- a real agent for change. I salute all of you for what you're doing now -- and I challenge you to do more.

2. Mr. President, you can answer this question as generally or as specifically as you want. But the question is: "What should American business do in 1992?"

Let me register -- respectfully, of course -- a slight disagreement with the premise. I want to stay on the right side of history: When the communist bloc looks to Adam Smith, I'm not about to offer American business a 5-year plan or even a 1-year plan. [[If you think your industry has been hit hard -- remember, what a tough year it's been for Central Planners.]] //

Our system works best when independent enterprises take their cue from the market -- not from Washington. So in 1992, what I want to see is simply this: I'd like to see you do what you do best.

First, you can build on your successes. During the 1980s, the manufacturing sector of our economy retooled -- literally revolutionized the way American companies do business. The result: ^{Manufacturing} productivity shot up ^{treasury} more than 35% ^(Treasury) ~~40%~~. ^[actual 37%] You honed the competitive edge that enabled American companies to capture new markets abroad -- and keep customers satisfied here at home.

of goods and services (Commerce) 7
Exports have exploded -- in real terms, up more than ~~50%~~ 70% in the
past five years. //

As I promised a few moments ago, we'll keep working in
Washington to create a good climate for growth -- to drive down
trade barriers abroad, to pursue a sane fiscal policy at home.
We'll do all we can to keep the playing field level, to cut
through the red tape and needless regulations. / You keep
innovating -- pioneering new products, setting new goals, -- and
rising to the challenge. If both of us do our jobs, 1992 will
mark a new beginning for American business -- a new era of
prosperity for the American people. //

Thanks again, all of you, for allowing me to join you in
Charleston.

#

✓ Peter
Barlow
NOTW
11/14/91
(Commerce)
Chief Economist
gave Tom the
figure
11/14/91
NOTW

driving for
world class
quality
responding to
your customers
Needs,
(Education)

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Senate Votes to Cap Rates on Credit Cards

Amendment Approved as Bill to Change Banking Laws and Bolster FDIC Goes to Floor

By Jerry Knight
and Albert B. Crenshaw
Washington Post Staff Writers

The Senate voted yesterday to limit the interest rate charged on credit cards, adopting a formula that would require many issuers to cut their current rates by as much as 5 percentage points.

The credit card interest cap was the first amendment approved as the Senate took up legislation to rewrite federal banking laws and provide a \$70 billion taxpayer loan for the Federal Deposit Insurance Corp.

Capping credit card rates had not been discussed during weeks of work on the banking legislation, but the measure sailed through the Senate on a 74-19 vote after it was proposed by Sen. Alfonse M. D'Amato (R-N.Y.).

Both the Senate and House are scheduled to continue work on banking legislation today, but congressional leaders yesterday abandoned the idea of letting banks diversify into the insurance and securities businesses, acknowledging that lawmakers are not willing to tackle such a big change in federal laws at a time when the nation's banks are in such serious trouble.

Last night, the House decided that

the funds for the FDIC will be accompanied by a package of tough new bank regulations, including new authority for the Federal Reserve Board to oversee foreign banks operating in the United States.

The House overwhelmingly killed wide-ranging banking legislation last week and the legislation currently before the House is a much less ambitious proposal.

Yesterday's unexpected Senate action on credit card rates came just a day after President Bush chastised banks and other credit card issuers for refusing to reduce those rates at a time when other rates have come down dramatically because of the economy's weakness. The prime rate charged to banks' big business customers, for example, has been cut to 7.5 percent from 10 percent since February.

D'Amato's amendment would cap credit card interest rates at 4 percentage points more than the rate the Internal Revenue Service charges on overdue taxes. The IRS rate, in turn, is tied to rates the Treasury must pay on its short-term borrowing.

Under current conditions, the D'Amato amendment would cap credit card interest rates at 14 per-

cent. Credit card interest now is limited only by state usury ceilings—typically, 21 percent to 24 percent annually. Seven of the 10 largest credit card issuers are charging identical rates of 19.8 percent, several senators noted yesterday.

"That's a rip-off rate in this environment," said Sen. Kent Conrad (D-N.D.). Said D'Amato, "They're stuck at 19.8 because there is no competition, because their credit card customers are captives. When the president of the United States has to call on banks to bring down rates, that should be an acknowledgment that something isn't right."

"This is one area where the banks could help with the consumer credit costs and help get a little more lift in the economy," said Senate Banking Committee Chairman Donald W. Riegle Jr. (D-Mich.).

The overwhelming Senate vote to cap credit card rates was another blow to the banking industry, which had hoped Congress would pass legislation giving banks new powers. Treasury Department officials yesterday reluctantly went along with the Senate's decision to drop the securities and insurance provisions, which had been one of three central elements of the

Bush administration's banking reform plan launched last winter.

The administration's proposal to let commercial firms such as General Motors Corp. or International Business Machines Corp. buy banks has already been killed by Congress, leaving interstate banking as the only remaining major reform proposal still under consideration.

Interstate banking is part of a limited package of banking measures the Senate is scheduled to take up today. Riegle and ranking minority member Jake Garn (R-Utah) worked out an agreement yesterday to pull the controversial securities and insurance provisions out of the package.

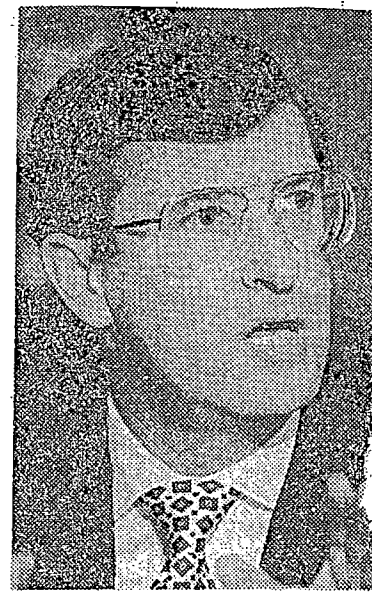
"We'll have to make it a narrow bill if we're going to get it through," said Garn, who for more than a decade has been pushing for a full-scale rewrite of federal banking laws, last revised in the 1930s.

In the House, Rep. Chalmers P. Wylie (Ohio), the ranking Republican on the banking committee, tried to craft a compromise on interstate banking by packaging it with other provisions sought by lobbyists for the insurance and real estate industries.

The real estate industry wants to stop the Federal Reserve Board from using its authority to let bank holding



SEN. ALFONSE M. D'AMATO
... his measure approved on 74-19 vote



SEN. KENT CONRAD
... credit card customers "captives"

companies go into the real estate business. The insurance industry wants to block a Delaware law that lets banks chartered in that state sell insurance nationwide and to overturn rulings by federal regulators that permit insurance sales by banks located in towns of less than 5,000 people.

The Wylie amendment answered demands of the insurance and real estate industries but united the banking industry in opposition. The Independent Bankers Association of America opposed the package because the small banks it represents do not want interstate banking. The bigger banks represented by the American Bankers

Association wanted interstate banking but opposed the package because the objected to the restrictions on insurance and real estate.

A coalition of consumer groups lined up against the House banking package, complaining that it did not deal with the two issues that concern them—discrimination in mortgage lending and the lack of banking services for the poor.

The House banking bill was put together behind closed doors by Democratic leaders who hoped to avoid repeating the debacle that occurred last week when the House overwhelmingly rejected the first version of the bill.

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Senate Votes to Cap Credit-Card Rates, Tying Charges to IRS's Interest Rate

By KENNETH H. BACON

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The Senate, acting on the heels of President Bush's call for banks to lower credit-card interest rates, voted to impose a ceiling in the charges.

In a 74-19 vote that caught banks and the Bush administration by surprise, the Senate approved a measure setting a ceiling on credit-card interest rates of four percentage points above the rate the Internal Revenue Service charges on the under-

Bank Bill Compromise Set

Senate negotiators and the Bush administration agree to drop efforts to allow banks to expand further into the securities business. See story on page A16. In other developments:

- Changing credit cards may be a way for consumers to save money, C1.
- Retailers try to entice customers to use credit for holiday buying, B1.

payment of taxes. At today's IRS rate, credit cards could charge 14%, down sharply from the current average of 18.94%.

"The big banks and large credit card issuing institutions are gouging American consumers," charged Sen. Alfonse D'Amato (R., N.Y.), the measure's chief sponsor. "With over \$230 billion in revolving charge debt outstanding, this bill could save consumers an estimated \$7.5 billion this year alone in excessive interest rates."

Consumer groups and many members of Congress have long attacked the high rates charged on revolving credit-card balances. The rates have become a particularly visible target over the past few months as most other interest rates have fallen quickly. On Tuesday Mr. Bush added his voice to the rate-reduction chorus by telling a New York audience that "I'd frankly like to see the credit-card rates down. I believe that would help stimulate the consumer and get the consumer confidence moving again."

However, the D'Amato measure, an amendment to the pending banking-overhaul bill, goes far beyond what the president had in mind. Administration officials said they oppose the cap as a form of credit allocation. And President Bush, at a political fund-raiser in St. Louis last night, said cutting credit-card rates "isn't a government decision."

Nevertheless, with the president calling for lower rates, the cap movement—one of the few provisions in the sweeping banking bill that benefits consumers directly—may be difficult to stop completely.

cording to Securities Data Corp.

The previous record was set only two weeks ago with a \$2.03 billion issue by RJR Nabisco Holdings Inc. The next largest was \$1.15 billion for Fox Television in 1986.

Investors seem attracted to the Ford preferred stock because it offers them two

Please Turn to Page A4, Column 4

The measure came up during desultory discussion of the bill and passed quickly without lengthy debate.

Banking groups strongly oppose interest rate limits. During the debate Sen. Jake Garn (R., Utah) said the high default rate on credit-card debt requires institutions to charge high interest rates. He said a cap on rates would force many banks to screen credit-card holders more carefully and to become more stingy in giving them access to credit.

There is no comparable cap provision in the banking bill before the House. However, with the growing political pressure to find measures to spur the economy, support could rapidly build. The Senate vote showed that lawmakers found it easier to vote for consumers than for banks.

GAO Report Stresses Financial Troubles Of a Pensions Agency

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The Pension Benefit Guaranty Corp. faces serious financial trouble, but its accounting system is inadequate for measuring the extent of the problem, a congressional watchdog agency said.

In a report to Congress, the General Accounting Office said that "weaknesses in internal controls and financial systems" at the PBGC prevented it from expressing an opinion on the corporation's financial condition. The GAO questioned the corporation's estimate of its liabilities for future benefits, its record-keeping on premium payments and its accounting procedures.

However, citing the corporation's "long-standing weaknesses, its accumulated deficit, and its possible future losses," the GAO added that it considers the PBGC a "high risk" agency.

The audit agency praised the PBGC for initiating several reforms in its internal controls. "However, the ultimate success of these reforms will depend on management's commitment to correcting these weaknesses," it said.

The report came as no surprise to the pension agency, which guarantees pension protection to almost 40 million Americans. James Lockhart, PBGC's executive director, had requested the GAO audit after arriving at the agency two years ago and finding the GAO had never been able to complete an audit for PGBC.

"In general, the agency is on track in correcting the problems identified by the GAO," said a PBGC spokeswoman. The agency is collecting past-due premiums and the "small percentage left to be collected are a small percent of premium revenues." Furthermore, the agency has installed new computers and hired a chief financial officer to improve accounting procedures. "Our goal is to have auditable accounts in 1992."

Looking for a Way To Save Some Money? Get a New Credit Card

YOUR MONEY MATTERS

Continued From Page C1

that many low-rate card issuers have stringent credit requirements and turn away more people than they accept.

Some cards carry variable rates, which means they can rise or fall with changes in the banks' cost of funds. These days, many of those rates have been falling. Yesterday, for example, American Telephone & Telegraph Co. lowered the rate on its Uni-

versal card to 16.4% from 17.4% for its "charter" customers, those who signed up for the card during its first year.

Finding low-rate cards shouldn't be difficult. There are a number of organizations and publications that offer lists of institutions offering low rates and low fees. The Wall Street Journal, for instance, publishes a list supplied by RAM Research Corp. of Frederick, Md. The list usually appears during the first week of each month in the Money & Investing Section.

"It's an excellent time to shop," says Robert A. McKinley, president of RAM Research. "I've never seen so many bargain cards." A year ago, says Mr. McKinley, there were only nine banks offering cards with rates under 15% nationwide. Now there are 17, he says, and many more offering them on a regional level.

Mr. McKinley's firm publishes a monthly bargain-card newsletter, Card-Trak, which can be ordered for \$5 an issue

(RAM Research, Box 1700, Frederick, Md. 21702).

Bankcard Holders publishes a quarterly "low-rate, low-fee" list, available for \$4 by sending a check to Bankcard Holders of America at 560 Herndon Parkway, Suite 120, Herndon, Va. 22070. (Or you can call 800-553-8025, and charge it to your credit card.)

Industry officials say there are no disadvantages to using an out-of-state card. Merchants in New York will take your Arkansas card just like any other.

Many issuers have toll-free telephone numbers, and billing complaints generally must be submitted in writing—no matter where the card is issued.

Still, consumers should pay close attention to details. Some low-rate cards have high annual fees, which may not make sense for someone who doesn't carry a sizable balance. There are services that come with some cards and not with others, such

as insurance protection for rental cars and warranty extensions on purchased items.

What's more, some low rates may be for an introductory period only. Ford Motor Co., for instance, is charging just 15.9% to its automobile buyers who sign up for a Visa or MasterCard before the end of this year.

No matter what the rate, federal law permits issuers to raise it at any time with just 15 days advance notice.

Some of the lowest rates are on so-called "secured cards," which typically require a security deposit equal to the credit limit on the card. Central National Bank in Mattoon, Ill., charges 8% on credit-card balances as long as the cardholder maintains a minimum deposit of \$1,000 in a savings account that yields 5%.

Before switching cards, consumers should evaluate their own situation. Cardholders with small balances may find that the savings aren't worth the hassle.

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^AP-Bush-Economy

^President Says Fundamentals In Place for 'Best Growth' in Years
^Eds: Tops with 9 grafs with Bush comments; picks up pvs 3th graf,
Other officials. (

^By TOM RAUM=

^Associated Press Writer=

WASHINGTON (AP) - President Bush today predicted "the best growth we've seen in years" and a "new era of prosperity" in 1992, despite the nation's current economic woes.

"Most of the hot shots are predicting growth and so I hope that's correct," the president said in a teleconference with a meeting of Fortune 500 business executives in Charleston, S.C.

His upbeat comments came as administration officials said Bush had backed away from proposing a new economic-growth package to Congress this year.

Instead, Bush will wait until the State of the Union address in January to present his proposals on the economy and then may use his re-election campaign to promote them, the officials said Thursday, speaking on the condition of anonymity.

"If both of us do our jobs, 1992 will mark a new beginning for American business and, I really do believe, a new era of prosperity for the American people," Bush said today.

"Yes, we've got some short-term problems here. And they're significant...But we'll be coming out of this," he told the business leaders in the teleconference.

"If we do our job right and don't burden the economy with old quick fixes that have appeal, like enormous tax cuts that can't be paid for, I think things will come around," Bush said.

I think this economy will really move on out with the fundamentals in place for the best growth we've seen in years.

On Thursday, Bush said he would present a "very strong State of the Union" address in terms of economic proposals.

Other officials, speaking on condition of anonymity, said the president has all but abandoned any notion of trying to come up with new proposals this year.

An appeal by Housing Secretary Jack Kemp for Bush to propose an immediate tax cut to stimulate the economy "just isn't going to happen," one senior official said.

The new focus on late January gives Bush more time to gamble that the faltering economy will improve. If it doesn't, he could tailor any new package to better reflect economic realities, the officials said.

Quarterly gross national product statistics that will show whether the economy grew, declined or was stagnant from October to December will be released just days before the president's annual address to Congress.

Coming up with a new economic package in late January would coincide with Bush's planned formal announcement of candidacy for re-election.

Advisers said one option being strongly considered is that Bush would try to make a political end run around Congress and seek to muster public support for his economic program by barnstorming the country.

Bush has maintained that the recession has ended, even if

Administration strategists are hopeful that any improvement in the economy will also stop Bush's slide in public opinion polls - and ease the pressure for major new economic initiatives like a broad-based tax cut.

The agreement between the White House and congressional Democrats this week on an unemployment-benefit extension takes some of the pressure off Bush to come up with a major economic package right now, presidential aides said.

the economy will also stop Bush's slide in public opinion polls - and ease the pressure for major new economic initiatives like a broad-based tax cut.

The agreement between the White House and congressional Democrats this week on an unemployment-benefit extension takes some of the pressure off Bush to come up with a major economic package right now, presidential aides said.

"I'll have a very strong State of the Union that hopefully can mobilize the Democrats that control Congress to do what they should have done some time ago," Bush said Thursday.

He added that his case for growth initiatives "will be taken strongly to the American people later on."

Bush has been arguing that he already has proposed measures to stimulate the economy and create jobs, but that Congress has ignored them.

They include his proposals for lower capital gains taxes, tax breaks for research and development, penalty-free Individual Retirement Account withdrawals for first-time homeowners, creation of "urban enterprise zones" and a transportation bill Bush contends will create thousands of jobs.

These items will be recycled in any package Bush presents in his State of the Union message, sources said.

If the economy shows signs of mated improvement, the president will make minor modifications to these proposals and resubmit them, one official said. "It will be packaged to look like there are new items, but there really won't be many," the official said.

However, if the economy worsens or remains flat, expect much more in the way of bold measures, the sources said.

Presidential spokesman Marlin Fitzwater said no decision had been made about what Bush would include in his State of the Union address. "I don't think we have a plan" at this point, Fitzwater said. He conceded, however, that "the economy is fairly flat."

AP-TV-11-15-91 1149EST(-

November 14, 1991

MEMORANDUM FOR MEDIA AFFAIRS STAFF AND INTERNS

FROM: Natalie M. Soulier

SUBJECT: MARLIN FITZWATER'S PRESS BRIEFING (12:08 P.M.)

I. OPENING REMARKS:

* **LIBYA:** The Federal Grand Jury indicted the individuals responsible for the bombing of Pan Am flight 103.

The "terrorist case doesn't begin or end" with the Pan Am incident.

The international community must protect itself. The U.S. does not rule out military action as one of the many options.

Great Britain is also issuing indictments. France is also involved in legal action. There is no real unilateral action at this point but the WHO wants to work with the other countries and talks are being arranged.

II. Q&A:

* **LIBYA:** Referred all questions regarding the involvement of the DEA with regard to security checks to the DEA report.

The WHO wants "justice through legal channels."

The WHO does not rule out the involvement of Syria or Iran in the in the terrorist act. There is no evidence to implicate them at this point.

The WHO believes that the government of Libya might have been involved in the bombing.

M.F. referred all questions regarding specific evidence for the indictment to the Justice Department (the Justice Dept. briefed this morning).

At this time there are no diplomatic relations or trade with Libya. No U.S. Visas are being issued and there are no U.S. flights to Libya.

The Justice Department initiated the prosecution and indictment of the Libyan individuals. The WHO "was made aware of it."

III. ANNOUNCEMENTS:

* **EPC Meeting:** Economic data suggests that we are coming out of the recession. M.F. announced the agreement on the unemployment benefits extension bill. The Labor Dept. is expected to issue checks before Thanksgiving.

The WHO does not intend to submit a tax cut plan before Congress recesses.

- * **Rose Elder:** POTUS met with Rose Elder at 7:45 this morning to give her the \$5.00 he owed her from a lost bet on the Redskins/Oilers game.
- * **Shamir:** POTUS will meet with Priminister Shamir on November 22. The peace process and U.S./Israel bilateral issues will be discussed.
- * **Armenia:** POTUS met with the President of Armenia today at 1:00 P.M. Political and economic reforms were discussed.
- * **LA Gov. race:** If Duke is elected, he will not have a relationship with the WHO.

IV. Q&A:

- * **Credit Card Rates:** POTUS requested that the interest rates be dropped on credit cards. AT&T has reportedly dropped their rate. Regarding the **Legislative Cap**, M.F. said, "The banks must be responsive to the market."
- * **Federal interest rates** are down, this is "good."
- * **Jack Kemp** is a "great American" and a "great leader."
- * Regarding **Pat Buchanan**: laughter.
- * **Civil Rights Bill** has not been received yet, but the POTUS is expected to "sign rapidly."
- * **Economy:** The long term strategy is to get a growth package. For short term, the WHO would like to see interest rates go down. This would spur the economy immediately.
- * **Yugoslavia:** There will be an arms embargo and an oil embargo. The steps taken by the U.S. should be similar to those taken by the EC.
- * **Soviet Aid Package:** "Soon."
- * **POTUS Thanksgiving plans:** POTUS will go to Camp David. The Far East trip is being rescheduled.

November 14, 1991

MEMORANDUM FOR MEDIA AFFAIRS STAFF AND INTERNS

FROM: Natalie M. Soulier

SUBJECT: Press Briefing on POTUS mtng. w/ Pres. Menem
(11:58 A.M.)

I. ANNOUNCEMENTS:

* Bilateral Investment Treaty will be signed today at the State Dept. It is revolutionary because this is the first comprehensive treaty that the U.S. has signed with a Latin American country. There will be international arbitration of investment disputes.

* POTUS and Pres. Menem discussed the trade surplus and American investments in Argentina. The POTUS expressed his support for economic reforms, the reduction of nuclear arms, and the leadership role Argentina has taken in the advancement of Democracy. Also discussed was Argentina's relationship to the EC with regard to agriculture. Pres. Menem discussed his recent trip to the Middle East. Cuba and Haiti were also topics of discussion between the two leaders.

II. Q&A:

- * The Media was very interested in the treaty.
- * Haiti: negotiations are taking place at OAS in Haiti.

November 14, 1991

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVE DEMAREST
TONY SNOW

FROM: DAN MC GROARTY

SUBJECT: OEOB TELECONFERENCE WITH THE FORTUNE 500 FORUM

I. SUMMARY

On Friday, November 15, at 10:25 a.m. you will deliver remarks via satellite from Room 459, OEOB, to an audience of 150 CEOs and corporate leaders at the Fortune 500 Forum in Charleston, South Carolina.

A number of administration officials are participating in the three-day forum, including Secretary Martin (Friday morning), General Scowcroft (Friday afternoon) and Secretary Cheney (Friday evening).

II. DISCUSSION

Your remarks (approximately 7 minutes / teleprompter) ~~share~~ *focus on our long term growth initiatives*
~~your views on how to turn the economy around and highlight Congress' refusal to overhaul the antiquated bank system, act on key nominations, or vote on your package of growth initiatives.~~

Following your remarks, Fortune publisher Jim Hayes and Fortune managing editor Marshall Loeb will each ask you one question. You will be provided talking points on cards.

R+E? Mary Barth
~~Credit cards~~ X 3690
language +
expiration date
Oct 1 or
Dec 31?

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 15, 1991

REMARKS BY THE PRESIDENT
IN TELECONFERENCE WITH THE FORTUNE 500 FORUM

Old Executive Office Building

10:30 A.M. EST

THE PRESIDENT: Thank you, Jim, very, very much. (Applause.) Thank you for that welcome. And I must say the miracle of technology -- I heard every word of all of that. Glad to be with you, and my greetings to Marshall Loeb, and my thanks to all for this opportunity to address the people who produce a good chunk of the Gross National Product. I'm doing this electronically, and then this afternoon General Scowcroft will be with you in person.

Bringing all of you together is a real service, and proves once again why Fortune is one of America's leading economic indicators. In the super-charged competitive atmosphere you call home, there is never room for complacency. The world doesn't care much about yesterday's track records, and it wants to find the restless man or woman with the next new idea.

This year, a new element overshadows the normal quest for excellence. Times have been tough. And as one looks ahead, plans for the future, there's worry about the economy, and I'm concerned. People out there are hurting, and I want to help. But I want to be sure that any actions taken by the federal government are fundamentally sound.

Let me just take a minute to share a few thoughts about how we can get this economy growing. As you might know, our long-term growth strategy is founded on several important elements. First, we know we've got to get that deficit down. Now, we've got a budget agreement that puts the squeeze on the controllable part of federal spending. I say "controllable" because so much of the budget is uncontrollable. It's legislated, and we're talking about many of the social programs, the means, Social Security and many things like that -- interest on the debt. We've got to abide by that budget agreement.

The other day, a massive tax-cutting scheme was proposed, and long-term interest rates shot up immediately, because the markets felt that the deficit would again spiral. We've got to keep inflation under control, as it is right now. The federal government must conduct itself in a way that will keep interest rates at low levels. We've got to keep American business competitive -- and we're trying. Slash red tape. Move more aggressively against regulations wherever possible. Draw the line against more and more government mandates, mandates that handcuff the American entrepreneur.

Most of the legislation that comes down at me has got a wonderful title on it, but it inflicts new mandates on the American people. And I've had to veto quite a few wonderfully titled pieces of legislation.

I also think that competitiveness means real tort reform. Capping these sky-is-the-limit liability awards. And as a nation, we've got to make good on our commitment to quality education and job training to ensure a work force ready for the challenges that a new century will bring.

MORE

Finally, we've got to make certain that American business competes on an equal footing, and that means a government committed to the principles of free and fair trade.

Let me just focus for one sec on this issue. You know firsthand that exports have become a driving force in our economy. Strong exports cushioned our economic downturn. Total gross exports last year accounted for virtually all of our growth. And I know that many of you, especially in the service sector and in agriculture, pay a price for being closed out of foreign markets. We're pushing hard in the Uruguay Round to bring down trade barriers, to open more markets to American goods and services. Jim Baker took that free trade message to Japan just the other day. And a week ago tonight, I got to The Hague and delivered that same message to the European Community in The Hague.

Closer to home, we've won fast track authority for a North American free trade agreement linking the United States, Canada and Mexico. And yesterday I met here at the White House with Argentina's great President, Carlos Menem. He's strong on our Enterprise for the Americas Initiative to transform this entire hemisphere into a free trade zone.

Now, these solid, forward-looking initiatives will pay dividends down the road in increased growth, new markets for American products, new jobs for American workers. I'm confident that our long-term strategy is on target. But there are steps that we've got to take right now; no more delay. And let's start with the overhaul of our antiquated bank system. Everyone of you knows how the problems in our banking system plague this economy.

In March, I sent up to the Congress the first comprehensive bank reform since the 1930s -- reforms that would bring American banks into the modern age. And even though the Congress is heading toward recess, we're going to keep pressing for these fundamental and important reforms. We can get them done within the next week.

The same goes for our other key proposals. For three years now, I have proposed a package of growth initiatives. Not just capital gains to which I remain committed, but incentives to encourage saving, like our family savings accounts; increased incentives for R&D to help keep American business competitive; measures to help first-time buyers tap into their IRAs to buy that new home; enterprise zones to unleash the urban entrepreneur. Each one of these initiatives would give a sluggish economy a needed boost.

So far I've spoken about ways we're trying to turn things around. Now let me tell you what we won't do. The first rule of economic policy puts me in mind of the Hippocratic oath, "do no harm." We're going to draw the line against the budget-busters. We're going to resist the quick-fix solutions out there. You and I know that when things are down there's a lot of political quick fixes that are proposed. And a lot of them are very, very attractive politically. They'd be attractive for me if I could embrace them. But from the folks who would have you believe they can reach in, flip a lever here, turn a knob there and fine-tune a \$5 trillion economy, we're getting these programs. We've got to resist them.

Pressure is building as we enter 1992. But let me say right now, we cannot and we won't sacrifice long-term economic health for short-term political gain. I don't expect it to be easy -- understatement of the year -- but I am determined to find a way to work with the opposition, to reach out, to deal in good faith and to do our job, so that you can keep doing yours.

And one last comment. Yesterday the House overwhelmingly passed unemployment benefits legislation and sent it to the Senate. My message to the Senate is simple and direct: People are hurting out there. And if they're to receive a check before Thanksgiving, the Senate must get this bill to me today. I want to see this legislation, legislation that meets the criteria that I've laid out on my desk today. This new bill does not bust the budget agreement. We could have had one like it three months ago. But in any event, by standing up against bad legislation, I can now say to the American people, we can help these people that need help. And the rest of the people, the taxpayer, the guy that does have a job, is not going to be further burdened because of this by higher taxes or higher deficit.

Now, once again, my thanks to all of you. And now, Jim and Marshall, I'll be pleased to take a couple of questions.

Q Mr. President, as citizens, as voters, we certainly often advise you as to what we would like you to do. You may answer this question as generally or as specifically as you would like. But what would you like to see American business leaders do in 1992?

THE PRESIDENT: Well, I think that our system works best when independent enterprises take their cue from the market, not from Washington. So in 1992, what I want to see is simply this: I'd like to see you do what you do best.

First, you can build on your enormous successes. You know, during the '80s, the manufacturing sector of our economy retooled, literally revolutionized the way American companies do business. And you know the results. Manufacturing productivity shot up more than 35 percent. You honed the competitive edge that enabled our companies to capture new markets abroad and keep customers satisfied here at home. Exports of goods and services have exploded.

In real terms, exports are up more than 70 percent in the past five years. And as I promised just a few minutes ago, we'll keep working in Washington to create a good climate for growth. There are some tough economic statistics out there. But right now, inflation is under control. That's one stealth tax that people don't have to worry about.

Interest rates are lower now than they've been in years. Earlier this week, I called for lower credit card rates to take some of the sting out of consumer debt, and I'm pleased to see some banks responding. Frankly, I hope more will follow suit. Revive consumer confidence. Give this economy a little kick.

To improve the business climate, we'll keep working to drive down trade barriers abroad to pursue a sound fiscal policy at home. We'll do all we can to keep the playing field level. That means cutting through the red tape and needless regulations. You keep innovating, pioneering new products, setting new goals, and rising to the challenge. And then, if both of us do our jobs, 1992 will mark a new beginning for American business, and I really believe a new era of prosperity for the American people.

When you see the difficulties we're having now, it is clear to me that American business fundamentally is getting in good shape to be more competitive in the future, to be leaner, to be ready to fire on out there and compete with anybody around the world. And so I want to -- that's your goal. My goal is to see that the government doesn't get in the way, and where possible -- like hammering out trade agreements -- be helpful to you.

So that's the way I see it. And some of that's gratuitous, but I am not pessimistic about where we're going. Yes, we've got some short-term problems here, and they're significant and

the deficits have kind of added up here; interest rates were much higher. But we'll be coming out of this. The big debate amongst the economists is where we actually stand. But the third quarter had some growth to it -- anemic and slow -- now seems to be some kind of leveling off. But most of the hotshots are predicting growth, so I hope that's correct.

But at some point, if we do our job right and don't burden the economy with, kind of bold, quick fixes that have appeal like enormous tax cuts that can't be paid for in any way, I think things will come around, and I think this economy will really move on out with the fundamentals in place for the best growth we've seen in years.

Q Mr. President, I have a question for you. I know that the troubles of our public school systems worry you greatly and they also cause the business community great concern. Eroding standards, high dropout rates, declining math and science proficiency. It worries us as concerned Americans, but as business people, these realities give us grave doubts about the American work force.

The question is twofold. What immediate steps do you plan to take? Secondly, what kind of advice and direction would you give American business people, both large and small corporations, who would like to get involved and would like to make a difference?

THE PRESIDENT: Well, in America 2000, we set national education strategies. And then our very able Secretary Alexander and then his Deputy, David Kearns, who you know so well and to whom I'm deeply indebted, you've selected people to lead the effort. We want to do whatever we can here. I'm fortunate to have Lamar there. And I'm delighted that we managed to lure David Kearns from the upper reaches to come out of the highest level of corporate America to take on this fantastic new challenge in our classrooms.

We're serious -- they are and I am -- about igniting a revolution in American education. Business can do a great deal to help us along the road to America 2000, and there already are. We've got some great advisory groups formed from high-level business people, and they are pitching in, rolling up their sleeves, engaging. And that is important because government alone isn't going to solve all this.

But look, first is consumers. You have what I would call a vested interest in the quality of American education. One element of America 2000 calls for bringing the corporate community into our classrooms. You can anchor our education reform in real world concerns. You can bring the needs of the market to our schools. Secondly, we need your help as reformers.

The business community volunteers millions of hours serving as mentors in our schools. I remember going to Rochester where Kodak has set a tremendous example in that community, doing just that -- mentoring. You contribute billions of dollars supplying technology and supporting innovative ideas in education.

Some of you are helping to fund a revolutionary experiment in education reform called "The New American Schools Initiative" -- met with many of the business leaders on that up at Camp David.

Education ought to learn a lesson from business. It's time we recognize competition and choice can be catalysts for real change. So let me extend, then, an open invitation to all of you: Bring your ideas to the table. Help us break the mold. Reinvent -- this is what we're talking about -- reinvent American education to meet the needs of a new century.

And thirdly, we need your help as teachers. And I know I'm preaching to the choir on this one, because many of your companies are already leading the way. But I urge you all: Go into our schools. Share your wisdom. Don't stop there. Bring the classroom into your companies. Help those workers who desperately want to learn how to read and write, master the basic tools of literacy. Help your employees learn new skills, better themselves for the good of their careers; and also, I think it's for the good of the companies.

If we made a mistake in the past, it's been leaving education to the professional bureaucracy -- to the so-called "experts," cutting off our schools from the outside community.

America 2000 breaks down those barriers. And I see the business community as an ally, a real agent for change. I salute all of you for what you're doing now. And then, of course, I want to challenge you to do more. And if you don't do that, I'll sick my wife, Barbara, on you. She's a bird dog on this education, and many of you there have helped enormously encourage her as she takes this message of family involvement and reading around the country.

So again, we're grateful -- not just the family, but the administration, those and our leaders in the Department of Education for all you have done. Thanks again to all of you for letting me join you in Charleston in this wonderful way. Thanks a lot. (Applause.) Nice to be with you. Thank you very much.

END

10:50 A.M. EST

To Jeannie

Date _____ Time 1:52

WHILE YOU WERE OUT

M P. Barlow

of _____

Phone _____

Area Code	Number	Extension
TELEPHONED	☒	PLEASE CALL
CALLED TO SEE YOU	☐	WILL CALL AGAIN
WANTS TO SEE YOU	☐	URGENT

RETURNED YOUR CALL ☒

Message 3rd quarter performance
in exports dropping
total growth gross
Exports last yr. accounted
for virtually all our growth.

if don't tot. gross would be less acc.



AMPAD
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23-021 CARBONLESS

fell off in the recession

McGroarty/Bunton
November 14, 1991
~~1:30 pm~~
[500] 2 pm

PRESIDENTIAL REMARKS: FORTUNE 500 TELECONFERENCE
Rm. 459, OEOB
NOVEMBER 15, 1991
10:25 A.M.

Final to POTUS
PACI checked

Thank you, Jim [Hayes, publisher of Fortune]. // Greetings to Marshall Loeb -- and my thanks to all for this opportunity to address the people who produce a good chunk of the Gross National Product. // Bringing all of you together is a real service -- and proves once again why Fortune is one of America's leading economic indicators.

In the super-charged competitive atmosphere you call home, there's never room for complacency. The world doesn't care much about yesterday's track records -- it wants to find the restless man or woman with the next new idea. This year, a new element overshadows the normal quest for excellence. Times have been tough. As you look ahead, plan for the future, you worry about the economy.

Today I want to share my views about how we can get this economy growing: what we've been doing, what we've tried to do - - and finally, what we won't do. //

Let me start with our long-term growth strategy -- built on the principle of free and fair trade. You know first-hand that exports have become a driving force in our economy. Strong exports cushioned our economic downturn: ^{Total gross} Exports increased eight

→ ~~through the recession -- and~~ last year, accounted for virtually all of our growth. //

→ (grow) I know that many of you -- especially in the service sector and in agriculture -- pay a price for being closed out of foreign markets. We're pushing hard in the Uruguay Round to bring down trade barriers, to open more markets to American goods and services. // Jim Baker took the free trade message to Japan -- and I delivered it myself to the European Community last week at The Hague. / Closer to home, we've won fast track authority for a North American Free Trade Agreement linking the U.S., Canada and Mexico. Yesterday I met here at the White House with Argentina's President Carlos Menem. He's strong on our Enterprise for the Americas Initiative to transform this entire hemisphere into a free trade zone. // These solid, forward-looking initiatives will pay dividends down the road -- in increased growth, new markets for American products, new jobs for American workers. //

But we can help right now. I'm pleased that we've been able to reach agreement with Congress on extending unemployment benefits in a way that doesn't break last year's budget agreement. But I'm sorry to say that -- beyond getting unemployment benefits to people in need -- every one of our efforts has hit a stone wall. That's right -- they're stuck inside the Beltway's version of the Bermuda Triangle: Capitol Hill. //

Start with the overhaul of our antiquated bank system.

Every one of you knows how the problems in our banking system plague this economy. In March, I sent up to Congress the first comprehensive bank reform since the 1930s -- reforms that would bring American banks into the age of the ATM and the 800 number.

// Congressmen, marching to the beat of special interests, systematically gutted our comprehensive reform bill -- then set it aside. [[UPDATE TO COME, PENDING OUTCOME OF THURSDAY'S LEGISLATIVE ACTION. //]]

We've been hamstrung on the federal level by the Senate's lack of action on key nominations. You as CEOs know you can't run your business without strong senior VPs. The same is true of the Federal government. Yet the Senate rejected Bob Clarke, my nominee for Comptroller of the Currency -- after eleven months, and 30,000 pages of documentation -- on a straight party-line vote. On the Fed, they're dragging their feet: it's been nearly four months since I nominated Alan Greenspan for a new term as Chairman -- and nine months since I named Larry Lindsay to fill the Fed's vacant seat. //

For three years now, I've proposed a package of growth initiatives. Not just capital gains -- but incentives to encourage saving and investment; measures meant to help first-time buyers into that new home; enterprise zones to unleash the urban entrepreneur. Each one would give a sluggish economy a needed boost. Congress won't even put them to a vote. ///

So far I've spoken about ways we're trying to turn things around. Now, let me tell you what we won't do. The first rule of economic policy puts me in mind of the Hippocratic oath: Do no harm. // We're going to resist buying in to the snake-oil solutions out there -- from the folks who would have you believe they can reach in, flip a lever here turn a knob there, and fine-tune a five-trillion dollar economy. Pressure's building as we enter 1992 -- but let me say right now: we won't sacrifice long-term economic health ^{to} short-term political gain. //

Once again, my thanks to all of you. / Now, Jim and Marshall, I'll be pleased to take some questions.

Q & A:

1. Mr. President, you can answer this question as generally or as specifically as you want. But the question is: "What should American business do in 1992?"

Let me register -- respectfully, of course -- a slight disagreement with the premise. I want to stay on the right side of history: When the communist bloc looks to Adam Smith, I'm not about to offer American business a 5-year plan or even a 1-year plan. [[If you think your industry has been hit hard -- remember, what a tough year it's been for Central Planners.]] //

Our system works best when independent enterprises take their cue from the market -- not from Washington. So in 1992,

what I want to see is simply this: I'd like to see you do what you do best.

First, you can build on your successes. During the 1980s, the manufacturing sector of our economy retooled -- literally revolutionized the way American companies do business. The result: manufacturing productivity shot up more than 35%. You honed the competitive edge that enabled American companies to capture new markets abroad -- and keep customers satisfied here at home. Exports of goods and services have exploded -- in real terms, up more than 70% in the past five years. //

As I promised a few moments ago, we'll keep working in Washington to create a good climate for growth. Right now, inflation is under control: that's one "stealth tax" people don't have to worry about. Interest rates are lower now than they've been in years. Earlier this week I called for lower credit card rates, to take some of the sting out of consumer debt -- and I'm pleased to see banks responding. {{REACTION TO SENATE CREDIT CARD CAPS? I support the Senate action to cap credit rates -- with one qualification: the caps must be responsive to the market.}} Across the board, lower rates are going to ease the credit crunch -- help companies expand and revive consumer confidence. //

To improve the business climate, we'll keep working to drive down trade barriers abroad, to pursue a sound fiscal policy at home. We'll do all we can to keep the playing field level, to cut through the red tape and needless regulations. / You keep

innovating -- pioneering new products, setting new goals -- and rising to the challenge. If both of us do our jobs, 1992 will mark a new beginning for American business -- a new era of prosperity for the American people. //

2. In America 2000, you set out national education strategies, and in Secretary Alexander and Deputy Secretary Kearns you have selected fine people to lead the effort. What can business leaders do to help, and what especially can we do to accelerate the pace of education reform?

First, let me second the motion: I am fortunate to have Secretary Alexander at the helm -- and I'm delighted we managed to lure David Kearns from the upper reaches of the corporate world to take on a new challenge in America's classrooms.

We are serious about igniting a revolution in American education. Business can do a great deal to help us along the road to America 2000.

First, as "consumers:" You have a vested interest in the quality of American education. One element of America 2000 calls for bringing the corporate community into our classrooms. You can anchor our education reform in "real world" concerns -- bring the needs of the market to our schools.

Second, we need your help as reformers: The business community volunteers millions of hours serving as mentors in our schools -- contributes billions of dollars supplying technology and supporting innovative ideas in education. Some of you are

helping to fund a revolutionary experiment in education reform called the New American Schools initiative. Education ought to learn a lesson from business: it's time we recognize competition and choice can be catalysts for change. //

Let me extend an open invitation to all of you: Bring your ideas to the table -- help us break the mold -- reinvent American education to meet the needs of a new century.

Third, we need your help as teachers. Go into our schools, share your wisdom. But don't stop there. Bring the classroom into your companies. Help those workers who desperately want to learn how to read and write master the basic tools of literacy. Help your employees learn new skills -- better themselves -- for the good of their careers and your companies. //

If we've made a mistake in the past, it's been leaving education to the so-called "experts" -- cutting off our schools from the outside community. America 2000 breaks down those barriers. I see the business community as an ally -- a real agent for change. I salute all of you for what you're doing now -- and I challenge you to do more. //

Thanks again, all of you, for allowing me to join you in Charleston.

#

*Ask those who
are doing so
in America*

McGroarty/Bunton
November 13, 1991
10:30 am
[500]

PRESIDENTIAL REMARKS: FORTUNE 500 TELECONFERENCE
Rm. 459, OEOB
NOVEMBER 15, 1991
10:20 AM?

Thank you, Jim [Hayes, publisher of Fortune]. [Introductory
acknowledgements.] Greetings to Marshall Loeb -- and my thanks
to all for this opportunity to address the people who produce a
good chunk of the Gross National Product.

By bringing all of you together, Fortune has done a real
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In the super-charged competitive atmosphere you call home,
there's never room for complacency. Success isn't impressed by
track records -- it's looking for the restless man or woman with
the next new idea. This year, that natural lack of complacency
has a real edge of concern. Times have been tough. As you look
ahead, there continues to be real worry about the economy.

→ Today I want ^{to} share my views about how we can turn this
economy around: what we've been doing, what we've tried to do -
- and finally, what we won't do. //

Let me start with our long-term growth strategy -- built on
the principle of free and fair trade. You know first-hand that
exports are now the driving force in our economy. Strong exports
cushioned our economic downturn: Exports increased right through

849.

the recession -- and last year, accounted for 80 percent of our growth. //

I know those of you in the service sector pay a price for being closed out of foreign markets. We're pushing hard to bring down trade barriers in the Uruguay Round, to open more markets to American goods and services. // Jim Baker took the free trade message to Japan -- and I delivered it myself to the European Community last week at The Hague. / Closer to home, we've won fast track authority for a North American Free Trade Agreement linking the U.S., Canada and Mexico. Yesterday I met here at the White House with Argentina's President Carlos Menem. He's strong on our Enterprise for the Americas Initiative to unite this entire hemisphere in the world's first free trade zone. //

These are solid, forward-looking initiatives that will pay dividends down the road -- in increased growth, new markets for American products, new jobs for American workers. //

But there are ways we can help right now. {{I'm pleased that we've been able to reach agreement with Congress on extending unemployment benefits in a way that doesn't break last year's budget agreement.}} But I'm sorry to say that, beyond unemployment benefits, every one of our efforts has hit a stone wall. That's right -- they're stuck inside the Beltway's version of the Bermuda Triangle: Capitol Hill. //

Start with the overhaul of our antiquated bank system. Every one of you knows how the problems in our banking system plague this economy. In February, I sent up to Congress the first comprehensive bank reform since the 1930's -- reforms that

arry
Lindsay

would bring American banks into the age of the ATM and the 800 number. // That package was systematically gutted -- and finally set aside. Now, Congress heads for adjournment with no bill in sight. //

We've been hamstrung on the federal level by the Senate's lack of action on key nominations. You as CEOs know you can't run your business without strong senior VPs. The same is true of the Federal government. Yet the Senate rejected Bob Clarke, my nominee for Comptroller of the Currency -- after eleven months, ^[30,000 WSJ editorial] and x,000 pages of documentation -- on a straight party-line vote. On the Fed, they're dragging their feet: it's been xx months now since I nominated Alan Greenspan for a new term as Chairman, and nine months since I named Larry Lindsay to fill the Fed's vacant seat. //

initial mem. July 19, 1991
Oct. 17th, 1991
Jan 23, 1991
Feb. 28th, 1991

For three years now, I've proposed a package of growth initiatives. Not just capital gains -- but incentives like Family Savings Accounts to spur saving; measures to help first-time buyers into that new home; enterprise zones to unleash the urban entrepreneur: Each one would give a sluggish economy a needed boost. Congress won't even put them to a vote. //

Time and again, Congress has failed to act. They say they're for competitiveness. Yet when we proposed the permanent extension of the Research and Experimentation Tax Credit -- Congress let it expire October 1st. They say they're for jobs. Yet October 1st marked the end of the Targeted Job Tax Credit, that helps the hard-core unemployed find work. // They say

notes: it would take the unemployed find work...

they're for housing. Yet the Low-Income Housing Tax Credit we sought to extend -- once again, expired October 1. //

So far I've spoken about ways we're trying to turn things around. Now, let me tell you what we won't do. The first rule of economic policy puts me in mind of the Hypocratic oath: Do no harm. // A few weeks ago, when all the talk started about tax cuts, you saw long-term interest rates spike up. / We're going to resist buying in to the snake-oil solutions out there -- from the folks who would have you believe they can reach in, flip a lever here turn a knob there, and fine-tune a five-trillion dollar economy. Pressure's building as we enter 1992 -- but let me say right now: we won't sacrifice long-term economic health to short-term political gain. //

Once again, my thanks to all of you. / Now, Jim and Marshall, I'll be pleased to take some questions.

Q & A:

1. America 2000....

I am fortunate to have Secretary Alexander at the helm -- and I'm fortunate we managed to lure away David Kearns from the upper reaches of the corporate world to a new challenge.

If too many in the education establishment are defenders of the status quo, the business community sees itself as agents of change. From the shop floor to the CEO's office....

Many things you can do:

First, as "consumers:" America's businesses can only go as far as your workers can take you. One element of America 2000

means bringing the corporate community into our classrooms. you can anchor our education in "real world" concerns -- bring the discipline of the market to our schools.

Second, we need the business community to join the crusade -
- become reformers. Many of you are already helping fund a revolutionary experiment in education reform called the New American Schools. Bring your ideas to the table -- help us break the mold -- reinvent American education to meet the needs of a new century.

Third, we need the business community to become teachers. Go into our schools, share your wisdom. Bring the classroom into your companies -- help your workers learn new skills. //

....

2. Xx.

Let me register -- respectfully, of course -- a slight disagreement with the premise: America needs an industrial policy about as much as we need a 5-year plan. Our system rests on the bedrock belief that America prospers enterprise takes its cue from the market, not from Washington.

So in 1992, what I want to see is simply this: I'd like to see you do what you do best.

First, let's take stock of what you've done already. During the 1980s, the manufacturing sector of our economy retooled -- revolutionized the way we do business. The result: productivity shot up more than 40%. American companies honed the competitive edge that enabled you to capture new markets abroad -- and keep customers satisfied.... In the past five years exports have

Andy Mitniski

✓
exploded -- up more than 50% in real terms. I challenge you to
push ahead.... //

We'll keep working in Washington to create a good climate
for growth -- to drive down trade barriers abroad, to pursue a
sane fiscal policy at home. We'll do all we can to keep the
playing field level, to cut through the red tape and needless
regulations. You keep innovating -- pioneering new products:
Setting new goals -- and rising to the challenge. If both of us
do our jobs....

#

McGroarty/Bunton
November 14, 1991
12:30 pm
[500]

PRESIDENTIAL REMARKS: FORTUNE 500 TELECONFERENCE
Rm. 459, OEOB
NOVEMBER 15, 1991
10:25 A.M.

Thank you, Jim [Hayes, publisher of Fortune]. // Greetings to Marshall Loeb -- and my thanks to all for this opportunity to address the people who produce a good chunk of the Gross National Product. // Bringing all of you together is a real service -- and proves once again why Fortune is one of America's leading economic indicators.

In the super-charged competitive atmosphere you call home, there's never room for complacency. The world doesn't care much about yesterday's track records -- it wants to find the restless man or woman with the next new idea. This year, a new element overshadows the normal quest for excellence. Times have been tough. As you look ahead, plan for the future, you worry about the economy.

Today I want to share my views about how we can get this economy growing: what we've been doing, what we've tried to do - - and finally, what we won't do. //

Let me start with our long-term growth strategy -- built on the principle of free and fair trade. You know first-hand that exports have become a driving force in our economy. Strong exports cushioned our economic downturn: Exports increased right

through the recession -- and last year, accounted for virtually all of our growth. //

I know that many of you -- especially in the service sector and the agriculture industry -- pay a price for being closed out of foreign markets. We're pushing hard in the Uruguay Round to bring down trade barriers, to open more markets to American goods and services. // Jim Baker took the free trade message to Japan -- and I delivered it myself to the European Community last week at The Hague. / Closer to home, we've won fast track authority for a North American Free Trade Agreement linking the U.S., Canada and Mexico. Yesterday I met here at the White House with Argentina's President Carlos Menem. He's strong on our Enterprise for the Americas Initiative to transform this entire hemisphere into a free trade zone. // These solid, forward-looking initiatives will pay dividends down the road -- in increased growth, new markets for American products, new jobs for American workers. //

But we can help right now. I'm pleased that we've been able to reach agreement with Congress on extending unemployment benefits in a way that doesn't break last year's budget agreement. But I'm sorry to say that -- beyond getting unemployment benefits to people in need -- every one of our efforts has hit a stone wall. That's right -- they're stuck inside the Beltway's version of the Bermuda Triangle: Capitol Hill. //

Clarke's Office
2226

DOT SUBMITTED TO CONGRESS
ON MARCH 20, 1991

NO OTHER BANKING LEGISLATION

3

Start with the overhaul of our antiquated bank system. Every one of you knows how the problems in our banking system plague this economy. In February, I sent up to Congress the first comprehensive bank reform since the 1930s -- reforms that would bring American banks into the age of the ATM and the 800 number. // Congressmen, marching to the beat of special interests, systematically gutted that bill -- then set it aside. [[UPDATE TO COME, PENDING OUTCOME OF THURSDAY'S LEGISLATIVE ACTION. ///]]

July 19, 1991 ✓
We've been hamstrung on the federal level by the Senate's lack of action on key nominations. You as CEOs know you can't run your business without strong senior VPs. The same is true of the Federal government. Yet the Senate rejected Bob Clarke, my nominee for Comptroller of the Currency -- after eleven months, and 30,000 pages of documentation -- on a straight party-line vote. On the Fed, they're dragging their feet: it's been nearly [four] months since I nominated Alan Greenspan for a new term as Chairman -- and nine months since I named Larry Lindsay to fill the Fed's vacant seat. //

For three years now, I've proposed a package of growth initiatives. Not just capital gains -- but incentives to encourage saving and investment; measures meant to help first-time buyers into that new home; enterprise zones to unleash the urban entrepreneur. Each one would give a sluggish economy a needed boost. Congress won't even put them to a vote. ///

So far I've spoken about ways we're trying to turn things around. Now, let me tell you what we won't do. The first rule of economic policy puts me in mind of the Hippocratic oath: Do no harm. // We're going to resist buying in to the snake-oil solutions out there -- from the folks who would have you believe they can reach in, flip a lever here turn a knob there, and fine-tune a five-trillion dollar economy. Pressure's building as we enter 1992 -- but let me say right now: we won't sacrifice long-term economic health to short-term political gain. //

Once again, my thanks to all of you. / Now, Jim and Marshall, I'll be pleased to take some questions.

Q & A:

1. Mr. President, you can answer this question as generally or as specifically as you want. But the question is: "What should American business do in 1992?"

Let me register -- respectfully, of course -- a slight disagreement with the premise. I want to stay on the right side of history: When the communist bloc looks to Adam Smith, I'm not about to offer American business a 5-year plan or even a 1-year plan. [[If you think your industry has been hit hard -- remember, what a tough year it's been for Central Planners.]] //

Our system works best when independent enterprises take their cue from the market -- not from Washington. So in 1992,

what I want to see is simply this: I'd like to see you do what you do best.

First, you can build on your successes. During the 1980s, the manufacturing sector of our economy retooled -- literally revolutionized the way American companies do business. The result: manufacturing productivity shot up more than 35%. You honed the competitive edge that enabled American companies to capture new markets abroad -- and keep customers satisfied here at home. Exports of goods and services have exploded -- in real terms, up more than 70% in the past five years. //

As I promised a few moments ago, we'll keep working in Washington to create a good climate for growth -- to drive down trade barriers abroad, to pursue a sane fiscal policy at home. We'll do all we can to keep the playing field level, to cut through the red tape and needless regulations. / You keep innovating -- pioneering new products, setting new goals -- and rising to the challenge. If both of us do our jobs, 1992 will mark a new beginning for American business -- a new era of prosperity for the American people. //

2. In America 2000, you set out national education strategies, and in Secretary Alexander and Deputy Secretary Kearns you have selected fine people to lead the effort. What can business leaders do to help, and what especially can we do to accelerate the pace of education reform?

First, let me second the motion: I am fortunate to have Secretary Alexander at the helm -- and I'm delighted we managed to lure David Kearns from the upper reaches of the corporate world to take on a new challenge in America's classrooms.

We are serious about igniting a revolution in American education. Business can do a great deal to help us along the road to America 2000.

First, as "consumers:" You have a vested interest in the quality of American education. One element of America 2000 calls for bringing the corporate community into our classrooms. You can anchor our education reform in "real world" concerns -- bring the needs of the market to our schools.

Second, we need your help as reformers: The business community volunteers millions of hours serving as mentors in our schools -- contributes billions of dollars supplying technology and supporting innovative ideas in education. Some of you are helping to fund a revolutionary experiment in education reform called the New American Schools initiative. Let me extend an open invitation to all of you: Bring your ideas to the table -- help us break the mold -- reinvent American education to meet the needs of a new century.

Third, we need your help as teachers. Go into our schools, share your wisdom. But don't stop there. Bring the classroom into your companies. Help those workers who desperately want to learn how to read and write master the basic tools of literacy.

Help your employees learn new skills -- better themselves -- for the good of their careers and your companies. //

If we've made a mistake in the past, it's been leaving education to the so-called "experts" -- cutting off our schools from the outside community. America 2000 breaks down those barriers. I see the business community as an ally -- a real agent for change. I salute all of you for what you're doing now -- and I challenge you to do more. //

Thanks again, all of you, for allowing me to join you in Charleston.

#

MARKET FOR BONDS TRADING BUT =

CREDIT GOOD RATES :

CAP MUST BE RESPONSIVE TO THE MARKET

SHORT TERM / LONG TERM SPREAD PRE-
SHORT TERM LOWER & LONG RATES

*

November 14, 1991

SATELLITE TELECONFERENCE
TO THE FORTUNE 500 FORUM

DATE: November 15, 1991
TIME: 10:30 a.m. - 10:45 a.m.
LOCATION: OEOB Room 459 Studio

THROUGH: DORRANCE SMITH
 MARIA EITEL SHEEHAN
 SCOTT SFORZA

FROM: PAUL LUTHRINGER

I. PURPOSE:

To participate in a live satellite teleconference to the Fortune 500 Forum.

II. BACKGROUND:

You are scheduled to participate in a brief 5-7 minute satellite teleconference to the first Fortune 500 Forum in Charleston, South Carolina.

The Fortune 500 Forum, sponsored by Fortune magazine, is a gathering of American business and political leaders.

This year's conference is titled "New Ideas for Leadership," and will focus on critical economic, competitive and technological issues confronting American industry. The purpose of the conference is to promote the exchange of ideas and help corporate leaders meet the new responsibilities of a global economy.

Some of the CEO's scheduled to attend are: Dwayne Andreas, Archer-Daniels-Midland; Renso Caporali, Grumman; Stanley Gault, Goodyear; H. William Lichtenberger, Union Carbide; and James Mellor, General Dynamics.

General Brent Scowcroft, Secretary Dick Cheney, Secretary Lynn Martin, Governor Carroll Campbell, and New York Governor Mario Cuomo are also scheduled to attend, as well as The Archbishop of Cape Town, Republic of South Africa, Desmond Tutu.

Your remarks will focus mainly on the economy. You will be introduced by Fortune magazine Publisher James B. Hayes.

Page 2
Fortune 500 Forum

[JIM]

Please be aware that after you have completed your prepared remarks, you will be asked two pre-determined questions.

The first question will come from Fortune magazine Managing Editor Marshall Loeb. The second question will come from James Hayes, who introduced you.

As usual, you will be using an IFB earpiece to hear the audience reaction and respond to the questions. And technical preparations have been made that will enable you to see the audience on a television monitor.

Your remarks, and the two questions you will be asked, will be put on teleprompter for your convenience. The two answers will be on cards in the form of talking points.

III. PARTICIPANTS:

The President
Dorrance Smith
Maria Sheehan
Paul Luthringer
Scott Sforza
WHCA personnel - audio/teleprompter operators (2)
Professional Video Service crew (3)

IV. PRESS PLAN:

Your comments will be fed to the White House Press Briefing Room. In addition, the satellite coordinates will be released to the media.

V. SEQUENCE OF EVENTS:

- Fortune magazine Publisher James B. Hayes engages in brief remarks and introduces you
- You appear on the screen and make prepared remarks
- After you conclude remarks, Fortune magazine Managing Editor Marshall Loeb, will ask you the first question
- You respond
- After your response, James B. Hayes will ask you the second question

Page 3
Fortune 500 Forum

-- You respond

-- After your response, your participation in the
teleconference ends

VI. REMARKS:

Remarks and Q&A to be provided by the Office of Speechwriting

The 1991



UPDATE

November 14-16, 1991
Charleston, South Carolina

NEW IDEAS —FOR— LEADERSHIP



NEW IDEAS FOR LEADERSHIP

Global revolutions are under way in politics, economics, technology, communications, and business. We are entering an age of boundless mobility and competition—for markets, for people, and for ideas.

The purpose of the FORTUNE 500 FORUM is to help America's corporate leaders meet the new responsibilities and confront the challenges of a global economy. By promoting an open and frank exchange of ideas, we hope to stimulate new thinking about the most pressing economic, competitive, and technological issues facing industry in the 1990s.

Over the next two days, we will address subjects ranging from the changing role of the CEO to the new attitudes of American consumers. We will discuss strategies for the post-Cold War economy and ideas for taking advantage of emerging patterns in global trade.

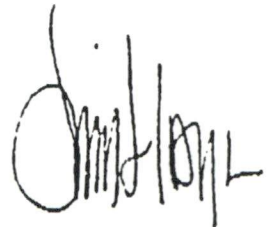
Spouses are invited to join the participants as guests at the meals and special arrangements can be made for spouses to attend the other plenary sessions. They will also be treated to a comprehensive and provocative program developed expressly for the FORTUNE 500 FORUM by Sotheby's, the international auction house. You will find detailed information about this program in the Spouse Program section of this portfolio.

We also invite you to take advantage of our program of recreational activities, including walking tours, golf, tennis, sailing, and fishing. You will find the details of these activities in the Recreation section.

No effort has been spared to make the FORTUNE 500 FORUM a momentous, pleasurable, and memorable event. We trust you will find it so.



Marshall Loeb
Managing Editor



James B. Hayes
Publisher

AGENDA

Thursday, November 14

10:00 AM - 11:00 PM	CONFERENCE REGISTRATION	Omni Hotel Lobby
6:00 PM	TRANSFER TO HIBERNIAN SOCIETY HALL	Trolleys will depart from Hassell Street entrance, Omni Hotel. The Hibernian Society is four blocks from the Omni and some guests may prefer to walk.
6:30 - 7:30 PM	WELCOMING RECEPTION	Hibernian Society Hall 105 Meeting Street
7:30 - 10:00 PM	GALA DINNER	Hibernian Society Hall
	WELCOMING REMARKS	James B. Hayes Publisher FORTUNE Carroll A. Campbell, Jr. Governor State of South Carolina Joseph P. Riley, Jr. Mayor City of Charleston
	SPEAKER	Jack Kemp U.S. Secretary of Housing and Urban Development
	INTRODUCTION	Marshall Loeb Managing Editor FORTUNE

- ▲ SEC. KEMP - NOV. 14
- ▲ SEC. MARTIN - NOV. 15 - (7:30 a.m.) "STARTING THE WORKPLACE REVOLUTION"
- ▲ GEN. SCOWCROFT - NOV. 15 - (3:00 p.m.) "US ROLE IN EMERGING WORLD ORDER"
- ▲ SEC. CHENEY - NOV. 15 - (7:00 p.m.) "DEFENSE IN THE 90's"

Friday, November 15

7:00 - 8:30 AM

BREAKFAST

Hosted by Gulfstream
Aerospace Corporation
Omni Hotel, Ballroom

**STARTING THE WORKPLACE
REVOLUTION**

Lynn Martin
U.S. Secretary of Labor

To begin promptly at 7:30 am

INTRODUCTION

James B. Hayes
Publisher
FORTUNE

8:30 AM

TRANSFER TO HIBERNIAN SOCIETY HALL

9:00 - 10:15 AM

10:05

**THE U.S. ECONOMY -
WHERE ARE WE GOING?**

Hibernian Society Hall

PLENARY

James C. Abegglen
Chairman
Gemini Consulting, Japan
Wayne D. Angell
Board Member
Board of Governors of the
Federal Reserve System

[POTUS FRIEND]

Jerry J. Jaslnowski
President
National Association
of Manufacturers
David A. Stockman
General Partner
The Blackstone Group

MODERATOR

Allan T. Demaree
Executive Editor
FORTUNE

10:15 - 10:30 AM

BREAK

10:05 - 10:25

10:25

INTRODUCTION OF THE PRESIDENT
BY MARSHALL LOEB, MANAGING
EDITOR FORTUNE

10:30 - 10:45 REMARKS BY THE PRESIDENT
AND Q & A.

Friday, November 15
(continued)

10:45 -

10:30 - 11:30 AM

HOW U.S. MANUFACTURING IS COMING BACK

Hibernian Society Hall

PLENARY

David A. Garvin

Professor

Harvard Business School

Jerry K. Pearlman

Chairman, President, and

Chief Executive Officer

Zenith Electronics Corporation

T.J. Rodgers

President and Chief

Executive Officer

Cypress Semiconductor Corporation

MODERATOR

Geoffrey Colvin

Senior Editor

FORTUNE

11:30 AM - 12:30 PM

TAPPING INTO THE NEW, NEW EUROPE

Hibernian Society Hall

PLENARY FRIEND OF POTUS

Dwayne O. Andreas

Chairman and Chief

Executive Officer

Archer Daniels Midland Company

Vernon A. Walters

Lieutenant-General

U.S. Army (retired)

Former U.S. Ambassador to the

Federal Republic of Germany

John Edwin Mroz

President

The Institute for East-West

Security Studies

MODERATOR

Donald D. Holt

International Editor

FORTUNE

Friday, November 15
(continued)

12:30 PM **TRANSFER TO GIBBES MUSEUM OF ART**

12:45 - 2:30 PM **LUNCHEON**
Hosted by Kidder, Peabody
Gibbes Museum of Art
135 Meeting Street

MORALS AND LEADERSHIP
Desmond M. Tutu
Archbishop of Cape Town
Republic of South Africa

INTRODUCTION
Jason McManus
Editor-in-Chief
Time Warner Inc.

2:30 PM **RETURN TO HIBERNIAN SOCIETY HALL**

3:00 - 4:00 PM **THE U.S. ROLE IN THE
EMERGING WORLD ORDER**
Brent Scowcroft
Assistant to the President
for National Security Affairs
Hibernian Society Hall

INTRODUCTION
Reginald K. Brack, Jr.
Chairman, President, and
Chief Executive Officer
Time Warner Publishing

4:00 - 4:15 PM **BREAK**

Friday, November 15
(continued)

4:15 - 5:30 PM

**MANAGING
INTELLECTUAL CAPITAL**

John F. Welch, Jr.
Chairman and Chief
Executive Officer
General Electric Company
Hibernian Society Hall

INTRODUCTION

Thomas A. Stewart
Associate Editor
FORTUNE

5:30 PM

RETURN TO OMNI HOTEL

6:30 - 7:00 PM

RECEPTION

Hosted by Gemini Consulting
Omni Hotel, Ballroom

7:00 - 8:00 PM

DEFENSE IN THE NINETIES

Dick Cheney
U.S. Secretary of Defense
To begin promptly at 7:00 pm

INTRODUCTION

Nicholas J. Nicholas, Jr.
President and Co-Chief
Executive Officer
Time Warner Inc.

8:00 PM

**TRANSFER TO HISTORIC SITES
FOR DINNER**

Trolleys will depart from Hassell
Street entrance, Omni Hotel

8:30 - 10:30 PM

DINNER

Thomas Bennett House
69 Barre Street

Edmonston-Alston House
21 East Battery

The Old Exchange
122 East Bay Street

Roper Mansion
9 East Battery

The Rutledge House
116 Broad Street

For the location of your dinner, see
your personalized itinerary or check
with a member of the FORUM staff.

Saturday, November 16

7:00 - 8:00 AM	CONTINENTAL BREAKFAST	Omni Hotel Ballroom
8:00 - 9:30 AM	CEO SKILLS SESSIONS	Your group assignment is listed in your personalized itinerary.
	GROUP I: LEADERSHIP: COMMUNICATING A VISION	Omni Hotel Jenkins/King Room
	GROUP DISCUSSION	Warren Bennis Author and Distinguished Professor University of Southern California Gerhard Schulmeyer President and Chief Executive Officer Asea Brown Boveri Inc.
	FACILITATOR	Marshall Loeb Managing Editor FORTUNE
	GROUP II: SETTING STRATEGIC DIRECTION	Omni Hotel Cypress Room
	GROUP DISCUSSION	Peter Drucker Writer and Management Consultant Bob G. Gower President and Chief Executive Officer Lyondell Petrochemical Company Edward L. Hennessy, Jr. Chairman Allied-Signal Inc.
	FACILITATOR	Geoffrey Colvin Senior Editor FORTUNE

Saturday, November 16
(continued)

**GROUP III: SUCCESSION:
LAYING THE GROUNDWORK
FOR THE FUTURE**

Omni Hotel
Suite 2H

GROUP DISCUSSION

Stanley C. Gault
Chairman and Chief
Executive Officer
Goodyear Tire & Rubber Company

Walter B. Wriston
Retired Chairman and
Chief Executive Officer
Citicorp

FACILITATOR

Walter Klechel III
Assistant Managing Editor
FORTUNE

9:30 AM

TRANSFER TO HIBERNIAN SOCIETY HALL

10:00 - 11:00 AM

**THE CORPORATION
OF THE FUTURE**

Hibernian Society Hall

PLENARY

Jerome A. Chazen
Chairman of the Board
Liz Claiborne Inc.

Richard H. Jenrette
Chairman and Chief
Executive Officer
Equitable Life Assurance Society

Robert B. Reich
Professor
Harvard's John F. Kennedy
School of Government

Benjamin M. Rosen
Chairman
Compaq Computer Corporation

MODERATOR

Ann M. Morrison
Assistant Managing Editor
FORTUNE

11:00 - 11:15 AM

BREAK

Saturday, November 16
 (continued)

11:15 AM - 12:30 PM

**SETTING STRATEGY FOR
 THE NINETIES:
 WHAT TO WATCH OUT FOR**

Hibernian Society Hall

PLENARY

Peter Drucker
 Writer and Management Consultant

Warren Bennis
 Author and Distinguished Professor
 University of Southern California

Stanley C. Gault
 Chairman and Chief
 Executive Officer
 Goodyear Tire & Rubber Company

Bob G. Gower
 President and Chief
 Executive Officer
 Lyondell Petrochemical Company

Edward L. Hennessy, Jr.
 Chairman
 Allied-Signal Inc.

Gerhard Schulmeyer
 President and Chief
 Executive Officer
 Asea Brown Boveri Inc.

Walter B. Wriston
 Retired Chairman and
 Chief Executive Officer
 Citicorp

MODERATOR

Walter Kiechel III
 Assistant Managing Editor
 FORTUNE

12:30 PM

RETURN TO OMNI HOTEL

Saturday, November 16
(continued)

1:00 - 2:30 PM

LUNCHEON

Hosted by Novell Inc.
 Omni Hotel, Ballroom

**THE ISSUES THAT FACE US:
 A DIALOGUE WITH
 MARIO M. CUOMO**

Mario M. Cuomo
 Governor
 State of New York

INTRODUCTION

S. Christopher Melgher III
 President
 Time Inc. Magazines-New York

2:30 - 2:45 PM

CONCLUDING REMARKS

Marshall Loeb
 Managing Editor
 FORTUNE

James B. Hayes
 Publisher
 FORTUNE



"NEW IDEAS FOR LEADERSHIP"
November 14-16, 1991
Charleston, South Carolina

List of Confirmed Participants (as of November 6, 1991)

James C. Abegglen
Chairman
Gemini Consulting, Japan

Edward L. Addison
President and Chief Executive Officer
The Southern Company

Norman E. Alexander
Chairman and Chief Executive Officer
Sequa Corporation

Gilbert F. Amelio
President and Chief Executive Officer
National Semiconductor Corporation

Dwayne O. Andreas
Chairman and Chief Executive Officer
Archer Daniels Midland Company

Wayne D. Angell
Board Member
Board of Governors of the
Federal Reserve System

Stephen V. Ardia
President and Chief Executive Officer
Goulds Pumps Inc.

Richard A. Aurelio
President
Varian Associates Inc.

Warren Bennis
Author and Distinguished Professor
University of Southern California

Roger E. Birk
President and Chief Operating Officer
Federal National Mortgage Association
(Fannie Mae)

Lawrence A. Bossidy
Chief Executive Officer
Allied-Signal Inc.

Reginald K. Brack, Jr.
Chairman, President, and Chief Executive Officer
Time Warner Publishing

Peter C. Browning
Chairman and Chief Executive Officer
National Gypsum Company

Frank V. Cahouet
Chairman, President, and Chief Executive Officer
Mellon Bank Corporation

Carroll A. Campbell, Jr.
Governor
State of South Carolina

Robert H. Campbell
President and Chief Executive Officer
Sun Company Inc.

Carlos Cantu
President and Chief Executive Officer
ServiceMaster Consumer Services

Renso L. Caporali
Chairman and Chief Executive Officer
Grumman Corporation

Robert J. Carbonell
Chairman of the Board
Del Monte Corporation

Michael A. Carpenter
Chairman and Chief Executive Officer
Kidder, Peabody Group Inc.
Executive Vice President
General Electric Financial Services

(continued on next page)

TIME & LIFE BUILDING ROCKEFELLER CENTER NEW YORK, NY 10020
TELEPHONE (212) 522-5462 FAX: (212) 522-1383



"NEW IDEAS FOR LEADERSHIP"

November 14-16, 1991
Charleston, South Carolina

List of Confirmed Participants

R. Eugene Cartledge
Chairman and Chief Executive Officer
Union Camp Corporation

Silas S. Cathcart
Retired Chairman & Chief Executive Officer
Kidder, Peabody Group Inc.
and Illinois Tool Works Inc.

Robert E. Cawthorn
Chairman and Chief Operating Officer
Rhône-Poulenc Rorer Inc.

Jerome Chazen
Chairman of the Board
Liz Claiborne Inc.

Dick Cheney
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Bush Administration

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