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Folder Title:
New Hampshire State Legislature 2/12/92 [OA 7568] [1]

Stack:	Row:	Section:	Shelf:	Position:
G	26	22	3	2

Lee Martin
@ Gov's off.

Dec. 11th Jay Dickey Am. 2000
Kicked off 401-0570
Gov. GREEN
AM 2000 State

MEMO FOR FUTURE REFERENCE:

DAN CALLED FORM DAVES OFFICE AT 5:30 P.M. 2/11/92 RE: NH EXPORT FIGURES. CARNEY CALLED AND WANTS US TO USE THE 1986 STATS FROM GOV. GREGG'S OFFICE $`1.2 BILLION AND 35,000 EXPORT RELATED JOBS .....NOT THE $3 BILLION AND 45,000 JOBS AS PROVIDED IN FACT SHEET FORM USTR. CARNEY WANTS TO STICK WITH THE 80 PERCENT GROWTH OVER THE PAST FIVE YEARS STAT.

JB

RE: 6 MO. MORTGAGE IN NH: GAVE CHRISTINA COPY OF MEMO TO DAVE -- SEC. BRADY WANTED THE NUMBERS. NUMBERS WERE COPILED BY TODD BUCCHOLZ IN OPD.

JB

FEBRUARY 12, 1992 AGENDA

1:00 Session

Prayer
Pledge
Singer
Business

1:20 Request for Joint Session Recess

175 Representatives out to ~~Council~~ Chamber

Photo

Set up Chairs

Representatives return

Joint Session convenes

~~Senate~~

Honorable Council

Governor's council
Executive council?

Honorable Senate

House Information officer:
Jim Van Dyan
- Beverly Ford -

- Senate President Edward Dupont and wife Andrea
- Chief Justice David A. Brock
- Governor Judd Gregg and wife Kathy

PRESIDENT OF THE UNITED STATES GEORGE W. BUSH

Eleanor Burns ← wife of speaker Harold W. Burns
↓
Ellie

Gov.

Kathy Judd PRESIDENT Ellie Ed Andrea Dupont

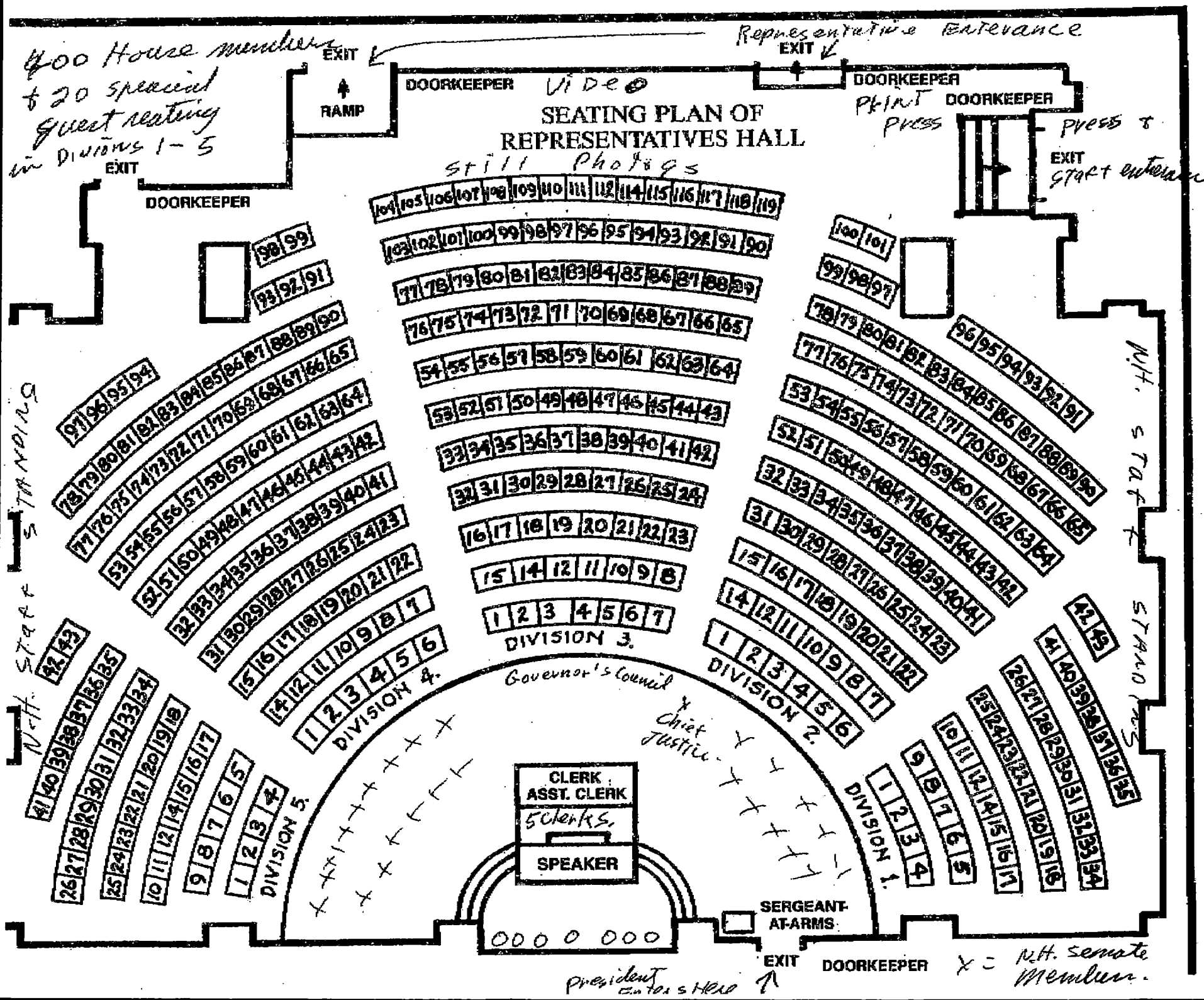
Gregg Gregg

wife of senate President

President of the N.H. senate Edward C. Dupont Jr.

SPKR. Burns Will sit here when the President speaks. The President will sit here while The speaker

ROSTRUM



FEB-08-1992 11:51 FROM SPEAKER OF THE HOUSE TO 912024566218 P.03

FAX COVER SHEET

HOUSE OF REPRESENTATIVES
STATE OF NEW HAMPSHIRE
STATE HOUSE
CONCORD, NH 03301

FAX NO. (603) 271-3309

DATE: 2/8/92

TO: Jeannie Benton

FROM: Lee B. Marden C.O.S. N.H. House

PHONE NO.: 603-271-3661

NUMBER OF PAGES (INCLUDING COVER SHEET) 3

FACSIMILE COVER SHEET

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President
Washington, D.C. 20506

—Clearance (to Geneva) _____ Section # _____

Time Sent _____ Date 2/10/92

_____ C.O. Log Number _____

Number of Pages Excluding Cover 14

TO: NAME:	AGENCY:	PHONE #:	FAX #:
Jeannie Burton		( )x7750	( )x6218
		( )	( )
		( )	( )
		( )	( )
		( )	( )
		( )	( )

FROM: Bob Bone

PHONE: X6120

FAX #: (202)395-[redacted]7226

CONTACT: If There are any problems please call: (202)395-3419

SUBJECT: New Hampshire #5

Louisa Koch @ Commerce
394
5 yrs.
signed off on

NEW HAMPSHIRE EXPORTS

- New Hampshire's manufacturing exports grew an estimated 79.2 percent from $1.7 billion in 1986 to $3.0 billion in 1990.[1]

- In 1986, exports accounted for 17.6 percent of total manufactured output. New Hampshire ranked as the 6th most dependent state on manufactured exports.

- In 1986, 26,000 jobs in New Hampshire were dependent on New Hampshire's export of manufactured products.

  -- 15,500 of these were manufacturing jobs, accounting for 15.2 percent of New Hampshire's total manufacturing employment. Nation-wide, 12.6 percent of manufactured jobs were export dependent in 1986. New Hampshire ranked 7th nation-wide in terms of the dependency of manufacturing jobs on exports.

  -- 10,500 of these jobs related to manufactured exports were in non-manufacturing sectors (including transportation, communication, trade and services).

- On the basis of 1986 data, and subsequent U.S. export growth, it is estimated (by USTR) that upward to 45,000 jobs in New Hampshire were related to New Hampshire's manufactured exports in 1990.

- The Department of Agriculture reports no agricultural exports for New Hampshire.

- No data are available on state exports of services. The United States, however, is estimated to have exported close to $145 billion in commercial services in 1991. The service sector accounted for 61 percent of New Hampshire's gross state product in 1989.

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[1]The State of New Hampshire reports the value of state exports to be $1.2 billion in 1990. These data rely on shippers' statements made at the port of departure from the United States. These data are of limited reliability in describing the state of origin of exports. Because of misreporting, these data tend to overstate the value of exports for states with major ports and understate the exports for states shipping exports through third states.

The estimate of $3 billion dollars for New Hampshire exports is based on the Census Bureau's Survey of U.S. Manufactures, which is more reliable than port data for the state origin of exports. Census data for 1986 was extrapolated to 1990 by increasing each product sector of New Hampshire's exports by the percentage change in the U.S. exports in the same product sector.

TALKING POINTS FOR NEW HAMPSHIRE IN-HOME VISITS

- An integral part of the President's Growth Agenda for America is his aggressive trade policy to open markets and expand trade for U.S. firms.

- This policy is creating new opportunities abroad for our entrepreneurs, new jobs at home for our workers, lower prices and greater choices for consumers, a better standard of living for all Americans.

Export Growth and the Economy

- Since the President took office, U.S. merchandise exports (the broadest measure) increased by 30 percent. This export expansion accounted for over 70 percent of U.S. GDP growth over the period.

- Last year merchandise exports contributed more than half of the growth of our GDP. In the first nine months of 1991, merchandise exports are running 6.2 percent ahead of the same period of 1990.

- The U.S. economy depends on trade all of the time, but even more so when our domestic market is sluggish. The downturn we are experiencing today would be twice as deep without our strong export growth.

Trade Means Jobs

- Every $1 billion in exports generates about 20,000 jobs. Since 1986, 3.5 million new jobs related to merchandise exports have been created. The growth of U.S. merchandise exports means that today 8 million American jobs are related to exports.

- Millions of other Americans owe their jobs to exports of U.S. services, the value of which now exceeds one-third of our merchandise exports.

New Hampshire and Exports

- Just as in the country as a whole, exports are a key to New Hampshire's recovery. New Hampshire's manufactured exports in 1990 pumped $3 billion into the state economy. That's up nearly 80 percent since 1986. And, those exports created 45,000 jobs in 1990, 19,000 more than 1986. (This doesn't even count services exports, for which no state-wide figures are available.)

- Export success stories:

-- ITRAN in Manchester: makes machine vision products. A third of its income from exports; half to Europe, half to Korea and Taiwan.

-- Cabletron Systems of Rochester: makes local area network equipment. 28 percent of sales are exports.

-- Termiflex of Merrimack: makes hand-held computer terminals. 30 percent of sales are exports, chiefly to Europe. Says that with domestic sales flat, growth in exports from 15-30 percent of revenues last year to this have been important to company.

Managed Trade and Protectionism

o Yet some would close U.S. shores to foreign trade. They prefer managed trade or protectionism. But such actions will only decrease our export opportunities and, hence, jobs.

o Neither will solve our difficulties. Managed trade merely sets ceilings on what U.S. companies can achieve, not floors from which they can grow. And, it invites similar action against us from our partners with whom we maintain a trade surplus.

o As for protectionism, it only hurts those it is supposed to help. It stifles innovation by insulating producers from the competitive global marketplace. It also cuts off American companies from critically important foreign suppliers costing U.S. jobs.

Protectionism a Regressive Tax on Consumers

o At the same time it taxes consumers, disproportionately lower income consumers, by raising prices and reducing choices. U.S. consumers pay $65 billion annually in higher prices from U.S. trade barriers. Trade barriers in place today are equivalent to a 23 percent income surcharge on people earning less than $10,000 a year.

The President's Trade Initiatives

o That's why the President is moving forcefully in many different forums to expand U.S. export opportunities:

o To open markets and expand trade throughout the world for U.S. goods, services, and investment, the Bush Administration has engaged in an aggressive array of trade initiatives:

The Uruguay Round

- The Uruguay Round of global trade talks is being held under the auspices of the General Agreement on Tariffs and Trade in Geneva. 108 countries, representing more than 90 percent of world trade, are working to:

-- Reduce tariffs and non-tariff barriers by a third, thereby pumping $5 trillion into the global economy over the next decade. The U.S. share of this increased output would be well over $1 trillion, which would be like writing a check for $17,000 to every American family of four, payable over 10 years;

-- Cut the $60 billion lost annually through theft and counterfeiting of America's patents, copyrights, and trade marks -- our best ideas;

-- Create new export opportunities for America's service industries -- like construction, accounting, and insurance -- which export $115 billion annually and create 9-out-of-10 new jobs;

-- Increase opportunities for international investment, which generates more than $240 billion of U.S. exports, or two-thirds of total U.S. exports in goods;

-- Expand trade for U.S. farmers, already the world's most productive with more than $40 billion in annual exports.

-- Ensure the full participation of developing countries in the global trading system, which could increase U.S. exports by half between now and the year 2000.

North American Free Trade Agreement (NAFTA)

- The reasons for our interest in a North American Free Trade Agreement are plain: Canada is our largest trading partner; Mexico is our third largest trading partner. Linking our complementary economies through free trade will strengthen these economic bonds and increase regional political stability.

- The North American Free Trade Agreement will create one of the world's largest markets with 360 million producers and consumers and $6 trillion in annual output and so generate new opportunities and new jobs for America.

- Already we have seen the benefits of liberalizing trade with Mexico. Since 1986, when Mexico joined the General Agreement on Tariffs and Trade, and reduced its tariff protections from 100 percent to a high of 20 percent, U.S. exports to Mexico have more than doubled,

rising from $12.4 billion to an annualized rate of $28.4 billion in 1990. This doubling of U.S. exports created 320,000 U.S. jobs.

- Today, our exports to Mexico are growing twice as fast as compared with our exports to the rest of the world. Mexico buys a full 35 percent more from us per person than does the far more affluent European Community.

- A free trade agreement in North America would not only lock in these gains, but also create new openings for U.S. industry. The agreement will improve access for U.S. exports to a market which is expected to have 100 million Mexican consumers by the year 2000.

NAFTA and New Hampshire

- This is of particular interest here in New Hampshire where dozens of companies ranging from high-tech to manufacturing are exporting to Mexico already.

- New Hampshire's exports to Mexico have increased almost 140 percent since 1987 to more than $23 million. Under a North American Free Trade Agreement, New Hampshire companies could do even better. This is particularly true because of Mexico's increasing need for capital goods -- machinery and electronics, for example -- products New Hampshire firms make extremely well.

- The availability of Mexico as a factory site currently has a positive effect on U.S. employment. For example, Kendall Co., one of your neighbors in Massachusetts which makes medical equipment, says that the Mexican production-sharing program helps it compete effectively in certain segments of the health-care market. Without the availability of Mexican production, approximately 3,000 Kendall jobs that exist within the United States would have been in jeopardy.

The Enterprise for the Americas Initiative

- Without question, the NAFTA has enormous potential for the growth of our economy and the North American region. We see it as a first step in implementing the Enterprise for the Americas Initiative which President Bush announced last year. His long-term vision is to create an hemispheric free trade area from Alaska to Argentina that would generate new economic activity and increased prosperity throughout the hemisphere and at home.

- The groundwork for this hemispheric free trade area has been laid by 15 trade and investment framework agreements designed to encourage additional market

opening for U.S. firms have been negotiated with all but 3 Latin American and Caribbean countries (a total of 30 countries, excluding Mexico). These agreements contain a declaration of sound trade and investment principles, a commitment to consult on a regular basis, and an initial agenda for our consultations.

- The EAI is designed to encourage the dramatic transformation ongoing in Latin America and Caribbean towards open economies, free trade, and a more limited role for government in the economy. Virtually every significant economy in the region has reduced barriers to trade and investment, including in some cases significant reductions in tariffs and previously rigid import licensing and quantitative restrictions.

Trade with Japan

- Our negotiations with Japan are designed to open the world's second largest market economy to U.S. exports.

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

- Since the President took office, U.S. merchandise exports to Japan have risen by an astounding 30 percent to $49 billion -- 50 percent faster than U.S. exports to the rest of the world.

- As a result, American exports to Japan in 1990 were greater than our exports to West Germany, France and Italy combined. In fact, our exports to Japan are about 35 percent greater on a per capita basis than our exports to all of Europe.

- In manufactures, U.S. export growth since 1988 has been particularly strong to Japan: up 45 percent to more than $30 billion in 1990.

- The Bush Administration in three years has increased access for America's computer products and services, glass, paper products, semiconductors, supercomputers, construction, processed foods, cosmetics, industrial equipment and machinery, wood products, and telecommunications equipment -- in all sectors collectively worth hundreds of billions of dollars annually.

- While, we are encouraged by the fact our exports to Japan are growing, much work remains to be must be

done. Japan's imports of manufactured goods are still roughly 4 percent of its gross domestic product, whereas in the United States it is 7 percent, and in many European countries it is even higher.

- The issue still remains: we must have better access to the Japanese market for U.S. exports of all kinds.

Conclusion

- The President trade policy is working.

- It is an important part of his Growth Agenda that will yield new opportunities for America's world-class entrepreneurs, jobs for our productive workers, greater choices and lower prices for consumers, and a better standard of living for all Americans.

# # #

THE BENEFITS OF OPEN MARKETS AND TRADE TO NEW HAMPSHIRE AND THE UNITED STATES

AMBASSADOR CARLA A. HILLS
UNITED STATES TRADE REPRESENTATIVE
BEFORE
THE NASHUA CHAMBER OF COMMERCE
FEBRUARY 7, 1992
[AS PREPARED FOR DELIVERY]

placed 28th

INTRODUCTION

LAST WEEK, TAD LANGLOIS OF NEWPORT, NEW HAMPSHIRE, WON THE U.S. SKI JUMPING CHAMPIONSHIP. THIS WEEK HE'S IN ALBERTVILLE, FRANCE, TO WIN THE GOLD MEDAL FOR THE UNITED STATES IN THE OLYMPICS.

TAD IS JUST ONE OF AMERICA'S WORLD-CLASS ATHLETES COMPETING IN THE OLYMPIC WINTER GAMES. HE AND HIS TALENTED TEAMMATES WILL RECORD THE FASTEST TIMES, LONGEST DISTANCES, AND BEST PERFORMANCES OF THEIR YOUNG LIVES.

WHY? BECAUSE WORLD-CLASS COMPETITION INSPIRES UNPARALLELED EXCELLENCE.

THE SAME IS TRUE OF AMERICA'S COMPETITIVE COMPANIES TRADING IN WORLD MARKETS -- MANY OF THEM RIGHT HERE IN NEW HAMPSHIRE. THEY ARE AMONG THE MOST INNOVATIVE AND COMPETITIVE BECAUSE WORLD-CLASS COMPETITION SPURS ENTREPRENEURS AND WORKERS TO EXCEL.

THEY ARE BENEFITING FROM PRESIDENT BUSH'S AGGRESSIVE TRADE POLICY WHICH IS THE FIRST ELEMENT OF HIS LONG-TERM GROWTH AGENDA LAUNCHED IN HIS STATE OF THE UNION ADDRESS: TO SEIZE EVERY OPPORTUNITY TO OPEN MARKETS AND EXPAND TRADE ABROAD IN ORDER TO CREATE PROSPERITY AND JOBS AT HOME.

THE RESULT OF THE PRESIDENT'S TRADE POLICY IS SIMPLY THIS: MORE FOREIGN MARKETS ARE OPEN TODAY TO U.S. FIRMS THAN THREE YEARS AGO. AMERICA IS EXPORTING MORE THAN EVER AND THAT IS GENERATING GROWTH AND JOBS AT HOME.

COMPANIES HERE IN NEW HAMPSHIRE ARE DIRECT BENEFICIARIES OF THE PRESIDENT'S TRADE POLICY. THEY ARE PUTTING THEIR PRODUCTS, THEIR SERVICES, AND THEIR IDEAS UP AGAINST THE BEST THAT THE WORLD HAS TO OFFER AND WINNING NEW CUSTOMERS, NEW PROFITS, AND NEW JOBS.

FROM $2.50 KITCHEN TOOLS MADE BY EKCO IN NASHUA, TO 25-HUNDRED DOLLAR HAND-HELD COMPUTER TERMINALS MADE BY TERMIFLEX IN MERIMACK, AND FROM 25-THOUSAND DOLLAR COMPUTER NETWORKS MADE BY CABLETRON SYSTEMS IN ROCHESTER, TO 50-THOUSAND DOLLAR MACHINE VISION SYSTEMS MADE BY ITRAN IN MANCHESTER, NEW HAMPSHIRE FIRMS MAKE PRODUCTS THE WORLD WANTS.

TOGETHER, NEW HAMPSHIRE'S MANUFACTURED EXPORTS IN 1990 PUMPED $3 BILLION INTO THE STATE ECONOMY. THAT'S UP NEARLY 80 PERCENT SINCE 1986. AND, THOSE EXPORTS CREATED 45,000 JOBS IN 1990, 19,000 MORE THAN 1986. (THIS DOESN'T EVEN COUNT SERVICES EXPORTS, FOR WHICH NO STATE-WIDE FIGURES ARE AVAILABLE.)

THE U.S. ECONOMY DEPENDS ON TRADE ALL OF THE TIME, BUT EVEN MORE SO WHEN OUR DOMESTIC MARKET IS SLUGGISH. LAST YEAR EXPORTS CONTRIBUTED MORE THAN HALF OF THE GROWTH OF OUR GROSS DOMESTIC PRODUCT. THE DOWNTURN WE ARE EXPERIENCING TODAY WOULD BE TWICE AS DEEP WITHOUT OUR STRONG EXPORT GROWTH.

U.S. TRADE POLICY

PRESIDENT BUSH KNOWS THAT TRADE IS THE ENGINE OF OUR ECONOMIC GROWTH. FOR THE PAST 36 MONTHS, HE HAS IMPLEMENTED A BOLD TRADE POLICY DESIGNED TO MAKE AMERICAN INDUSTRY MORE COMPETITIVE AND TO CREATE MORE JOBS BY FORGING A TRULY OPEN WORLD TRADING SYSTEM.

TO ATTAIN THESE GOALS, THIS ADMINISTRATION HAS AGGRESSIVELY ENGAGED IN A THREE-PRONG TRADE STRATEGY:

- FIRST, TO MODERNIZE AND INVIGORATE OUR INTERNATIONAL TRADING SYSTEM BY SUCCESSFULLY CONCLUDING THE URUGUAY ROUND OF GLOBAL TRADE TALKS IN GENEVA BEING HELD UNDER THE AUSPICES OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE, OR GATT.

- SECOND, TO LAUNCH A SERIES OF MARKET-OPENING INITIATIVES WITH OUR KEY TRADING PARTNERS. THESE NEGOTIATIONS COVER THE RANGE OF AMERICAN BUSINESS FROM TRUCKING TO TELECOMMUNICATIONS AND FROM SEMICONDUCTORS TO SERVICES.

- AND, FINALLY, TO USE THE POWER OF OUR DOMESTIC DEMAND TO CREATE MARKET OPENINGS THROUGHOUT THE WORLD.

THE URUGUAY ROUND

FOR THE SECOND HALF OF THE 20TH CENTURY, THE GATT HAS BEEN THE WORLD'S MOST IMPORTANT TRADE AGREEMENT, TODAY INVOLVING 108 COUNTRIES REPRESENTING MORE THAN 90 PERCENT OF GLOBAL COMMERCE.

SINCE THE GATT WAS SIGNED IN 1947, SEVEN SUCCESSFUL ROUNDS OF TARIFF CUTS BY THE WORLD'S GREAT TRADING NATIONS PERMITTED TRADE TO SOAR FROM ROUGHLY $60 BILLION TO BREAK THE $4 TRILLION MARK IN 1990. AS A RESULT, THE GLOBAL ECONOMY GREW FASTER IN THOSE 40 YEARS THAN IN ANY FOUR DECADES OF WORLD HISTORY.

THE URUGUAY ROUND OF GLOBAL TRADE IS THE EIGHTH AND MOST AMBITIOUS ROUND OF NEGOTIATIONS. IT PACKS THE BIGGEST PUNCH OF ANY NEGOTIATION IN WHICH WE ARE ENGAGED TODAY.

BY OUR ECONOMIC CALCULATIONS, ACHIEVING THE AGREED TARGET OF A ONE-THIRD REDUCTION OF TARIFFS AND NON-TARIFF BARRIERS COULD INCREASE WORLD OUTPUT BY $5 TRILLION OVER THE NEXT DECADE. THE U.S. SHARE OF THAT INCREASE IN GLOBAL OUTPUT WOULD BE OVER $1 TRILLION. THAT WOULD BE LIKE WRITING A CHECK TO EVERY AMERICAN FAMILY OF FOUR IN THE AMOUNT OF $17,000 PAYABLE OVER 10 YEARS.

BUT THE BENEFITS OF THESE TALKS GO MUCH FURTHER. THEY WOULD:

- PROVIDE RULES TO PROTECT THE INTELLECTUAL PROPERTY OF AMERICA'S ENTREPRENEURS -- INCLUDING NEW HAMPSHIRE'S MANY HIGH-TECH FIRMS -- ENDING THE $60 BILLION LOST EACH YEAR THROUGH THEFT AND COUNTERFEITING;

- OPEN NEW MARKETS FOR U.S. SERVICE FIRMS, WHICH CREATE 9-OUT-OF-10 OF OUR NEW JOBS;

- EXPAND MARKET OPPORTUNITIES FOR INTERNATIONAL INVESTMENT, CREATING EXPANDED OPPORTUNITIES IN A SECTOR THAT ALREADY HELPS GENERATE MORE THAN $240 BILLION OF U.S. EXPORTS;

- STRENGTHEN RULES ON DISPUTE SETTLEMENT, ANTIDUMPING, SUBSIDIES, AND TRADE REMEDY PROVISIONS, THAT SHOULD PROVIDE PREDICTABILITY AND CERTAINTY IN ACCESS TO FOREIGN MARKETS AND ENSURE FAIR TRADE AT HOME.

<u>BILATERAL/REGIONAL INITIATIVES</u>

AS WE WORK TO ACHIEVE A SUCCESSFUL OUTCOME OF THE URUGUAY ROUND, WE CONTINUE TO PRESS FOR OPEN MARKETS IN EVERY FORUM AVAILABLE TO US.

A MAJOR OPPORTUNITY CLOSE TO HOME IS OUR EFFORT TO NEGOTIATE A NORTH AMERICAN FREE TRADE AGREEMENT. LINKING THE COMPLEMENTARY ECONOMIES OF CANADA, OUR FIRST LARGEST TRADING PARTNER, AND MEXICO, OUR THIRD LARGEST TRADING PARTNER, WITH OUR OWN WOULD CREATED ONE OF THE LARGEST AND RICHEST MARKETS IN THE WORLD WITH 360 MILLION PRODUCERS AND CONSUMERS, AND $6 TRILLION IN ANNUAL OUTPUT.

ALREADY WE HAVE SEEN THE BENEFITS OF LIBERALIZING TRADE WITH MEXICO. IN 1986, WHEN MEXICO JOINED THE GATT AND REDUCED ITS TARIFFS FROM 100 PERCENT TO A HIGH OF 20 PERCENT, U.S. EXPORTS TO MEXICO MORE THAN DOUBLED FROM $12 TO $28 BILLION. THAT DOUBLING OF U.S. EXPORTS CREATED 320,000 U.S. JOBS AND EVERY $1 BILLION INCREASE IN U.S. EXPORTS GENERATES AROUND 20,000 ADDITIONAL JOBS.

TODAY OUR EXPORTS TO MEXICO ARE GROWING TWICE AS FAST AS COMPARED WITH OUR EXPORTS TO THE REST OF THE WORLD. MEXICO CURRENTLY BUYS FULLY 35 PERCENT MORE PER PERSON FROM US THAN DOES

THE FAR MORE AFFLUENT EUROPEANS. A FREE TRADE AGREEMENT COVERING NORTH AMERICA WOULD NOT ONLY LOCK IN THESE GAINS, BUT ALSO WOULD CREATE NEW MARKET OPENINGS FOR U.S. BUSINESS.

FOR MEXICAN TARIFFS ARE STILL 25 PERCENT HIGHER THAN OURS. IF WE CAN BRING TARIFFS DOWN, DISMANTLE ITS IMPORT LICENSING AND EXPORT PERFORMANCE REQUIREMENTS, WE WILL IMPROVE ACCES TO A MARKET PROJECTED TO HAVE 100 MILLION CONSUMERS BY THE YEAR 2000.

THIS IS OF PARTICULAR INTEREST HERE IN NEW HAMPSHIRE WHERE DOZENS OF COMPANIES RANGING FROM HIGH-TECH TO MANUFACTURING ARE EXPORTING TO MEXICO ALREADY. NEW HAMPSHIRE'S EXPORTS TO MEXICO HAVE INCREASED ALMOST 140 PERCENT SINCE 1987 TO MORE THAN $23 MILLION. UNDER A NORTH AMERICAN FREE TRADE AGREEMENT, NEW HAMPSHIRE COMPANIES COULD DO EVEN BETTER. THIS IS PARTICULARLY TRUE BECAUSE OF MEXICO'S INCREASING NEED FOR CAPITAL GOODS -- MACHINERY AND ELECTRONICS, FOR EXAMPLE -- PRODUCTS NEW HAMPSHIRE FIRMS MAKE EXTREMELY WELL.

MEANWHILE, WE ARE CONTINUING THE SUCCESSFUL -- AND PROFITABLE -- IMPLEMENTATION OF THE FREE-TRADE ARRANGEMENT WITH OUR LARGEST TRADING PARTNER, CANADA. THIS HAS BEEN A GREAT BOOST TO THE NEW HAMPSHIRE ECONOMY WHOSE NO. 1 CUSTOMER IS CANADA.

U.S.-JAPAN TRADE

SINCE PRESIDENT BUSH TOOK OFFICE 36 MONTHS AGO, A TOP GOAL OF OUR TRADE POLICY HAS BEEN TO EXPAND ACCESS TO THE WORLD'S SECOND LARGEST MARKET ECONOMY -- JAPAN. WE SEEK TO CREATE AN OPEN AND COMPETITIVE CLIMATE IN JAPAN -- ONE IN WHICH THE DECISION TO BUY OR SELL IS BASED ON QUALITY, PRICE, AND SERVICE, NOT ON COLLUSION, OR PROTECTIVE INDUSTRIAL POLICIES.

OUR ENTREPRENEURS MUST BE PERMITTED TO TRADE AND INVEST IN JAPAN AS FREELY AS JAPANESE ENTREPRENEURS ARE ABLE TO TRADE AND INVEST HERE IN THE UNITED STATES.

TO CREATE THIS PARITY OF OPPORTUNITY WITH JAPAN, THE PRESIDENT HAS STEADFASTLY PURSUED A COMPREHENSIVE THREE PART PLAN OF ACTION WHICH INCLUDES:

- ATTACKING BARRIERS IN PARTICULAR SECTORS USING ALL THE LEVERAGE AT OUR DISPOSAL. IN THE PAST THREE YEARS WE HAVE OPENED THE JAPANESE MARKETS FOR SATELLITES, SUPERCOMPUTERS, WOOD PRODUCTS, CELLULAR TELEPHONES, THIRD PARTY RADIO, DIGITAL EQUIPMENT, MEDICAL DEVICES, AMORPHOUS METALS, AND A NUMBER OF OTHER SECTORS.

- ROOTING OUT ECONOMY-WIDE BARRIERS THROUGH OUR STRUCTURAL IMPEDIMENTS INITIATIVE, WE HAVE PERSUADED JAPAN TO AMEND LAWS RESTRICTING RETAILING, ENFORCE LAWS AGAINST PRICE FIXING AND GROUP BOYCOTTS, AND EXPEDITE THE PATENT APPROVAL SYSTEM.

o AND PERSUADING JAPAN TO TAKE CONSTRUCTIVE POSITIONS IN THE GLOBAL TRADE TALKS.

THE PRESIDENT'S POLICY IS PAYING OFF. DURING THE BUSH ADMINISTRATION, U.S. EXPORTS TO JAPAN HAVE GROWN 10 TIMES FASTER THAN U.S. IMPORTS FROM JAPAN. AS A RESULT, OUR TRADE DEFICIT WITH JAPAN HAS DECLINED BY 18 PERCENT SINCE 1988.

JAPAN IS CURRENTLY OUR SINGLE LARGEST BUYER OF AGRICULTURAL PRODUCTS.

IN THE CRITICAL MANUFACTURING SECTOR, U.S. EXPORTS TO JAPAN HAVE BEEN DOING PARTICULARLY WELL, GROWING 50 PERCENT FASTER THAN OVERALL U.S. EXPORTS TO JAPAN. OVER THE PAST THREE YEARS, U.S. EXPORTS OF MANUFACTURED PRODUCTS TO JAPAN HAVE RISEN BY 45 PERCENT AND EXCEED $30 BILLION.

IN 1990, AMERICAN EXPORTS TO JAPAN WERE GREATER THAN OUR EXPORTS TO GERMANY, FRANCE AND ITALY COMBINED. IN FACT, OUR EXPORTS TO JAPAN ARE ABOUT 25 PERCENT GREATER ON A PER CAPITA BASIS THAN OUR EXPORTS TO ALL OF EUROPE.

AND WE CONTINUE TO SEEK BETTER ACCESS TO THE JAPANESE MARKET FOR U.S. EXPORTS OF ALL KINDS.

MANAGED TRADE AND PROTECTIONISM

DESPITE OUR SUCCESS, SOME URGE US TO ENTER MARKET-SHARE AGREEMENTS WITH OUR TRADING PARTNERS OR TO LIMIT THEIR SALES HERE. THEY CALL IT MAKING AMERICA FIRST.

WELL, IT WON'T MAKE AMERICA FIRST.

MANAGED TRADE MERELY SETS CEILINGS ON WHAT U.S. COMPANIES CAN ACHIEVE. AND, IT INVITES SIMILAR ACTION AGAINST US FROM OUR PARTNERS WITH WHOM WE MAINTAIN A TRADE SURPLUS.

AS FOR PROTECTIONISM, IT ONLY HURTS THOSE IT IS SUPPOSED TO HELP. IT STIFLES INNOVATION BY INSULATING PRODUCERS FROM THE COMPETITIVE GLOBAL MARKETPLACE, AT THE SAME TIME IT TAXES CONSUMERS, DISPROPORTIONATELY LOWER INCOME CONSUMERS, BY RAISING PRICES AND REDUCING CHOICES.

ALREADY U.S. CONSUMERS PAY $65 BILLION ANNUALLY IN HIGHER PRICES FROM U.S. TRADE BARRIERS WHICH AMOUNTS TO A 23 PERCENT INCOME SURCHARGE ON PEOPLE EARNING LESS THAN $10,000 A YEAR.

THAT IS NOT MAKING AMERICA FIRST. YOU DON'T MAKE AMERICA FIRST BY RUNNING AWAY FROM COMPETITION. YOU MAKE AMERICA FIRST BY GIVING AMERICA GREATER OPPORTUNITY TO COMPETE.

CONCLUSION

THERE ARE THOSE IN EVERY COUNTRY, INCLUDING OUR OWN, WHO THINK THAT THEY CAN SOLVE THEIR NATION'S ECONOMIC PROBLEMS BY BUILDING BARRIERS TO TRADE. THEY CANNOT SEE THAT PROTECTION SAPS THE STRENGTH OF BUSINESS, ROBS WORKERS OF JOBS RELATED TO EXPORTS, AND TAXES CONSUMERS WITH HIGHER PRICES AND FEW CHOICES.

1992 WILL BE A PIVOTAL YEAR FOR TRADE IN THIS COUNTRY. WE FACE TWO CHOICES:

- WE CAN MAKE TRADE A POLITICAL FOOTBALL, VERBALLY ASSAULT OUR LARGEST TRADING PARTNERS, IGNITE A TRADE WAR, AN SOW THE SEEDS FOR GLOBAL INSTABILITY, OR

- WE CAN CONTINUE TO OPEN GLOBAL MARKETS SO THAT TRADE CAN EXPAND AND ENSURE INCREASING GLOBAL PROSPERITY.

TO MAKE THE RIGHT CHOICE IN THIS COUNTRY WE NEED TO HEIGHTEN PUBLIC AWARENESS THAT OPENING MARKETS MEANS: GROWTH FOR OUR ECONOMY; OPPORTUNITY FOR OUR BUSINESSES; AND JOBS FOR OUR PEOPLE.

THAT'S WHY I AM HERE. THANK YOU FOR HAVING ME.

# # #

THE WHITE HOUSE

Office of the Press Secretary
(Manchester, New Hampshire)

For Immediate Release February 12, 1992

REMARKS BY THE PRESIDENT
TO STATE LEGISLATURE

State House
Concord, New Hampshire

2:10 P.M. EST

THE PRESIDENT: Mr. Speaker, thank you, sir, and Ellie. I'm just delighted to be with you. And Mr. President, Ed Dupont and Andrea; and Mr. Chief Justice; members of the Executive Council; and of course, my special friend, Governor Gregg. I am just delighted to be back here. And I want to single out three visitors that have been introduced here just a minute ago: Senator Rudman, Governor Sununu, and Congressman Zeliff. I'm just delighted that they're back here with us today. (Applause.) And my respects to a former United States senator who has gone straight -- one of your own, Gordon Humphrey, back here now. (Applause.)

And ladies and gentlemen of the New Hampshire State Legislature. First, my thanks for that warm welcome back. I decided to come here today because I figured it's been a while since the people of New Hampshire have heard a political speech. (Laughter.) New Hampshire's legislature is really the living legacy of Lincoln's words, "of, by and for the people." I look out at all the remarkable men and women who balance the responsibilities of work and home with this public trust.

What leads you to serve? It can't be the salary. (Laughter.) That's not enough to cover two tickets to the Celtics games. (Laughter.) But what sustains this state is a tradition as old as America itself: a commitment to self-government that stretches from Pittsburgh to Pelham, from Claremont to Conway, to every corner of this state.

New Hampshire looks to government as a last resort -- not as the first answer to each and every problem. It doesn't see people's paychecks as potential revenue. Its rule is right: limit government -- not freedom. (Applause.)

This body governs itself the way we as citizens want to be governed: by the rules of common sense and fair play. Up here, you manage to avoid being enlightened by liberal economists. New Hampshire lawmakers operate on the radical notion that a legislature should spend no more than it takes in. New Hampshire lawmakers guarantee every bill a public hearing -- and every bill a vote. It's time for the United States Congress to follow your lead. (Applause.)

Twelve years ago, under the national leadership of my friend and yours, my supporter, President Ronald Reagan, this state helped spark a new American revolution -- a revolution that marked the end of a weary era, and a new birth for freedom. Together, we made America proud. Together, we made America strong. Together, we made America respected in the eyes of all the world.

We fought great battles. We stood fast against imperial communism -- and we watched walls the world over come tumbling down.

For 45 years, we fought in the trenches of the Cold War -- and we won.

And let me tip my hat to every man and woman who ever served -- and to the American taxpayer -- because communism didn't just fall. It was pushed.

Finally, just one year ago, we drew a line in the sand -- and helped defend a small nation and a grand ideal. We said international law would be upheld -- and aggression would not stand. And with our coalition partners, we kicked Saddam Hussein out of Kuwait. (Applause.)

One thing more about Desert Storm. There are those who didn't support us then and there are those who second-guess us now. Not New Hampshire. As Commander-in-Chief, let me thank this legislature for its resolution in support of Desert Storm. Half a world away, to the men and women who carried the battle -- your support gave them the strength to succeed, knowing that the people were behind them. In those difficult days, when our troops laid it on the line, New Hampshire did not hesitate.

We did these things because we had the courage to lead. And because we led America is free, America is safe, America is at peace. (Applause.)

Yes, dangers remain -- dark corners of the world not yet blessed by freedom. No, our work in the world is not yet over. But the great struggles we've won, the great changes we've seen do more than open new worlds -- they open new opportunities for us at home. And this we know: If we can change the world, we can change America. (Applause.) But for us to move forward -- for us to lead the world -- we've got to get America's economy moving again.

Last month, I spoke to the American people and spelled out my plan to pull this country out of recession and into recovery. I know all of you have heard plenty about plans that promise the moon. But let me say to the citizens of New Hampshire, judge my plan by its first principle: Government is too big -- and it spends too much. (Applause.)

We put a stop order on new federal regulation. We've begun a 90-day review -- 90 days to take a hard look at regulations that hurt more than they help. The day of overregulation is just that -- over.

We declared war on frivolous lawsuits. If this country rewarded success as easily as we slap on a lawsuit, our economy would be well on its way.

We've worked to control spending. I've called on Congress to eliminate -- cut out altogether -- 246 federal programs. (Applause.) One thing would make it a little easier -- give me the tools and I will finish the job -- give me that line-item veto and watch what can be done. (Applause.)

I took action with the authority that I have as President -- and then I challenged the Congress to act. I set out a two-plan part to ensure economic growth: an immediate action plan to spark recovery -- and then a long-term plan for the future.

The people of New Hampshire have a right to ask: We've been hit hard. Too many of us have lost our jobs -- even lost our homes. What will this plan do for us? Fair question.

First, my plan will bolster the real estate market. In New Hampshire and across the country, real estate will lead the way to economic recovery.

My plan helps New Hampshire homebuyers. It provides a $5,000 dollar tax credit to first-time buyers: $2,500 this year, $2,500 next. And it lets them draw on their IRA accounts to make that purchase penalty-free. For the average New Hampshire family buying the average New Hampshire house my plan means tax breaks worth six months of mortgage payments. For families all over this state -- that's an American Dream come true.

And what's good for the families who want to buy that first-time home is good for the people who build them. Nationwide, experts in the housing industry predict that my plan will create a boom in home-building. In this state alone, the plan will generate 1,000 new housing starts and pump $120 million into the state economy. (Applause.) And that then, best of all, will put more than 2,000 New Hampshire construction workers back on the job.

My plan will also help the pioneering high-tech firms that call New Hampshire home. Pass this plan and give companies an investment tax allowance, helping growing firms accelerate investment. Make the R&E tax -- that credit a permanent part of the federal tax code. Pass my plan and get investment flowing again: cut the capital gains rate to 15 percent. That is what is needed. (Applause.) Pass my plan and give American companies a competitive edge. No games -- no gimmicks. Just a plan that works. Pass my plan and get New Hampshire moving again.

Now, that's a summary of my short-term part of it -- the short-term action plan. For the long term, we've got work to do as well -- steps we can take right now to guarantee progress and prosperity into the next American Century. We get there by investing in the technologies of tomorrow -- you're good at that here in New Hampshire. Tomorrow, with federal support of R&D at record levels, it will help. We need to share the results, get the great ideas generated by public funds out into the private sector -- off the drawing board and onto store shelves. Our national technology initiative will do just that -- and right now, at M.I.T., the first regional meeting is underway.

We get to the future by letting the states do what they do best. Far too often, states have their hands tied by Washington. Congress passes a mandate -- and they pass you the buck. You get stuck raising taxes. (Applause.)

New Hampshire's Constitution, I'm told, prevents this body from burdening communities with unfunded mandates. Well, if it's good enough for New Hampshire, why not for the rest of the country? (Applause.)

Look at the problems that plague us today: crime, drugs, the erosion of moral values. Trace each one to its root -- its root causes, and you'll see one common factor: the decline of the American family. This country must reaffirm a simple truth: When the family comes first, America is first. (Applause.)

We get to the future by strengthening the family. Look at our approach, for example, to child care. Our opponents backed a scheme that would have created a brave new child care bureaucracy. We preserved choice -- and we put parents first. My plan puts the family first, this new one -- and provides an extra $500 exemption for every child. And just last week I announced a comprehensive health care reform: reforms that will keep costs down and open up access to affordable health care for all Americans, providing new coverage to almost 30 million uninsured Americans. (Applause.) And we'll do it through choice -- not through central control.

We've got -- and I think every American would admit this, or claim it -- we've the best quality health care in the world

-- the best. And the last thing the American people want is a system that puts the government between you and your doctor. And we're not going to do that. (Applause.)

Every parent knows our children are our future. That's why our health plan focuses on the children -- increasing support for immunization, the early prevention that gives each kid a healthy start. And that's why are funding Head Start at an all-time high -- and it's the reason we're asking more of our schools. We must challenge ourselves to revolutionize -- to literally reinvent American education.

New Hampshire has joined the nonpartisan America 2000 revolution. Governor, we're grateful to you for your leadership. And let common sense be our guide -- and let common sense begin by letting parents choose which school is best for their child. (Applause.)

Finally, we meet America's destiny by expanding trade -- opening new markets for American goods. I'm proud of the progress we've made, working to open markets from Asia to Europe to the Americas. Just this week, I signed a new investment accord just yesterday with the nations of Latin America. Last month, the agreement we reached with Japan will help computer companies right here in this state -- help them get into that government owned -- the government computer market in Japan. That's a solid record in three years time -- a good start that we'll make even better.

But free trade has come under attack these days. The drumbeat mounts for some new isolationism -- this one, an economic retreat from reality. (Applause.) The simple truth is, protectionism isn't a prescription for prosperity. Boil away all the tough talk, all the swagger and all the the patriotic posturing, and protectionism amounts to nothing more than a smoke screen for a country that's running scared, and that's not the America you and I know. (Applause.)

The America we know is a country ready to take on the world -- and ready to rise to new levels, not run for cover. Our national symbol isn't the ostrich -- it's the eagle -- and that's the way it should be. (Applause.)

Never in this nation's long history has America turned its back on a challenge, and we are not going to start now.

A proud America will never be protectionist. It will never be protectionist. (Applause.) Bring it close to home --make no mistake about it: No state would be hurt more by economic isolationism than New Hampshire. Right now, New Hampshire businesses reap more than $1.2 billion a year from exports. Across this state, that's 35,000 jobs tied directly to foreign trade. And even in these hard times, New Hampshire's manufacturing exports increased 80 percent in the past five years alone.

It's an economic fact of life: If we close our markets, other countries will close theirs. And when the walls go up, who gets hurt? That's an easy one: You do. You get hurt. And I cannot, and I will not, let that happen to New Hampshire or to any of the rest of the states in this country. We are not going to have protectionism. (Applause.)

We're going to compete, not cut and run. And let the world know, we're in this to win.

Two weeks ago, I urged the Congress to work with me, to do the will of the American people. I laid out the action plan I've sketched, that I've outlined here, and, yes, I set a deadline to help move the Congress along the way. Today, back in Washington -- maybe

at this very minute -- the House Ways and Means Committee is at work; they started work this morning. And I challenge them once again to pass this short-term action plan -- seven specific actions to stimulate -- immediately stimulate the economy. They say they are taking up my plan, but they are not.

So I'll say again: Don't relabel my plan. Don't change it. Don't use it as a way to raise tax rates. Just pass this plan and give the American people a chance to see whether it's going to work, as I'm confident it will. (Applause.) And, look, later on -- get this passed -- later on we can all debate it, put it out there in the political arena, add to it, detract from it. We can all have a big, strong debate.

It must sound strange to the people in this chamber -- strange for you legislators who meet for only 45 days a year to hear Congress complain that 52 days isn't enough time to get this done. They say the deadline is arbitrary. They say the deadline is too early. They say the deadline is unfair.

And I say: The deadline is March 20 and we're going to hold their feet to the fire. (Applause.) By March 20th, I want to be able to report to the American people that the liberation of America's economy has begun. (Applause.) I ask the people in this chamber, I ask the good people of New Hampshire to give me your strong support and send a message to the Congress. Tell them the time has come to act.

Today is a special day for me, for Barbara, for my family as well. I think back across the years to the lesson I learned long ago -- and I look ahead in wonder to what can be. And I know there is no higher honor than serving this great nation.

I want to thank you. I want to thank you, New Hampshire for this warm welcome. And may God bless this land we share. We have much to be grateful for in these troubled times, and I want to be your leader for four more years. Thank you very much, and may God bless the United States of America. Thank you. (Applause.)

END 2:32 P.M. EST



National Association of Home Builders

1201 15th Street, N.W., Washington, D.C. 20005-2800
(202) 822-0401 Fax No: (202) 822-0374

Kent W. Colton, Ph.D.
Executive Vice President &
Chief Executive Officer

DATE 2/7/92

FAX TRANSMITTAL COVER SHEET

TO: Jeannie Benton

FAX #: 456-6218

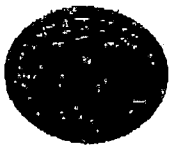
SENDER: KENT W. COLTON, EXECUTIVE VICE PRESIDENT

SENDER'S PHONE NUMBER: (202) 822-0401

NUMBER OF PAGES TO FOLLOW COVER SHEET: 16

COMMENTS:

THE FAX NUMBER FOR THE NAHB EXECUTIVE OFFICE IS (202) 822-0374.



National Association of Home Builders

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Kent W. Colton, Ph.D.
Executive Vice President &
Chief Executive Officer

February 7, 1992

M E M O R A N D U M

TO: Jeannie Benton

FROM: Kent W. Colton

SUBJECT: Impacts of Tax Credit

Attached are the numbers we promised, as well as a backup paper on the methodology for the national estimates. (The regional estimates reflect the regions share of overall U.S. construction activity in 1989.) Also attached is a background memo on other housing related information for New England which Jay Buchert may be using when he is in New Hampshire.

Please let me know if you have any questions. And if you want to follow-up on the specific methodology, please feel free to call Dave Crow directly at 202-822-0383. Dave is the gentleman who did the estimates.

KWC/di

Enclosure

NAHB
2/7/92

IMPACTS OF TAX CREDIT

Additional:	in the US:	in New England:
Starts in 1992	215,000	9,000
in 1993	60,000	2,500
Jobs in 1992	415,000	16,900
in 1993	125,000	5,100
Federal Tax Revenue in 1992	$3.8 billion	$155 million
in 1993	$1.1 billion	$45 million
Housing Activity in 1992	$23 billion	$900 million
in 1993	$7 billion	$280 million

Activity in New Hampshire will likely be proportionate to the state's share of the New England benefit, or about 13% of the New England effects. That translates into about 1,000 starts, 2,300 jobs, $21 million in federal tax revenue, and $120 million in housing activity in 1992.

The methodology for the national estimates is attached. The regional estimates reflect the region's share of construction activity in 1989.

Stick w/ starts & jobs

NAHB
2/7/92

Impact of a First-Time Home Buyer's Tax Credit

The Bush proposal for a first-time home buyer's tax credit will stimulate the production of 215,000 additional housing starts in 1992 and another 60,000 additional starts in 1993. The new construction activity will increase employment by 415,000 in 1992 and by over 100,000 in 1993. An additional $23 billion in new housing investment will be added to the nation's economy in 1992 and $7 billion in 1993.

Highlights

The starts impact is the net result of a number of effects that the housing market will undergo if the credit is passed soon. NAHB estimates that 205,000 additional new home sales contracts will be signed by first-time home buyers during the 1992 qualifying period (February 1 to December 31). Another 563,000 existing home sales will be made to first-time home buyers induced to purchase because of the credit. Most of the existing home sellers will, in turn, purchase another home. An additional 190,000 new home sales will result from these move-up buyers for a total new home sales increase of 395,000.

Since the credit proposal allows the final home delivery to take place up to June 30, 1993, some of the first-time home buyer's new homes will be started in 1993 along with some of the second round purchases by move-up buyers who are not constrained by the deadlines. Hence, some added starts activity spills into 1993.

While the new home inventory is very low, NAHB also assumes that some of the added new home sales will come from existing inventory, some of which will be replaced in 1993 after the credit induced activity has diminished. Also affecting later activity, some of the credit-stimulated purchases are advanced purchases that would have occurred in 1993 and 1994. Hence, the NAHB forecast also includes some reduction in demand and starts in these two years to compensate for the timing change. The time shifting will smooth the housing production cycle and spread demands for materials, labor and land over a longer time period.

The stimulus flows through the housing market in four ways. The credit makes it possible for some households that otherwise could not afford to buy to make the down payment. Second, the credit acts like a temporary price discount, equivalent to 10 percent of the price up to $50,000 or less for higher home prices. Third, the one year window of opportunity will encourage households with intentions of buying next year to advance their purchase. Fourth, a second wave of home purchasing will occur as existing home sellers find buyers eligible for the credit and, in turn, buy another home.

Each effect and its relative contribution to the economic impact is described in the following sections. The total flow of starts, sales contracts and closing transactions is detailed in the attached table.

More Affordable

Down payments and up-front cash for closing costs are the largest hurdles to home ownership. A Census Bureau report[1] and the two most recent Joint Center for Housing Studies reports[2] demonstrate that between 80 and 90 percent of renter households cannot afford to purchase a home. Both conclude that the largest barrier is the down payment.

In addition to the published estimates in the Census Bureau report of the number of renters that can and cannot afford to buy a home, NAHB received unpublished estimates of the number of renter households, by income, that could and could not afford to purchase a home if they had an extra $5,000. In the published report, Census found that 3.4 million of the 37.7 million renter households in 1988 could afford to buy a home. Increasing their cash by $5,000 adds another 1.6 million renter households to the able-to-afford category. We have assumed that the first time home buyers can effectively employ the credit towards a down payment.[3]

The American Housing Survey reports between 1.5 and 1.7 million households become first-time home buyers in a year of which 1.2 million were renters before their purchase. As a percentage of those that are judged able to afford to buy, the "conversion" rate is about 25 percent, although it varies with income between 15 percent and 44 percent. Similar percentages can be calculated for the proportion of first-time home buyers that choose newly-built homes.

Renters make up 70 percent of the first-time home buyers. The other 30 percent are newly-formed households, either moving out of parents' homes or out of shared arrangements. Consequently, the pool of potential first-time home buyers is larger by 43 percent (30/70) than the Census figures alone would suggest. The proportion of first-time home buyers from each type of previous housing situation is used to estimate total potential demand.

The net result of applying propensities to buy newly-built homes to the number of additional households able to afford to buy results in an NAHB estimate of 118,000 additional first-time home buyers will purchase a newly-built home. Another 323,000 households will purchase existing homes because the credit solves the affordability hurdle.

The administration's proposal along with congressional proposals define first-time home buyers as those individuals that

have not owned a home in the last three years. This analysis is based on a definition of households that have never owned. The AHS data does not delve into previous ownership beyond the tenure most recent to the present one for households that moved in the past year. The data does tell us that another 22 percent of recent home purchasers were not the owners of their last home. If some or all of the previously non-owners but not first-time home buyers also qualify for the credit, our estimates of additional sales are too low.

Price Discount

The second effect comes from inducing purchases by renters and newly-formed households who could already afford to buy but who otherwise would not choose to do so. The credit effectively reduces the price of a first purchase. Generally accepted academic research estimates the "price elasticity" of housing at around 1.0; that means, for every one percent fall in price, a one percent increase in home buying activity will result. The percentage change in price for each income group is calculated as the credit amount divided by the maximum home price affordable by that income.[4]

The estimated percentage increase in first-time home purchases is applied to the number of first-time home buyers in each eligible income bracket. Adding up over all eligible incomes yields an estimated sales impact of 23,000 additional purchases of newly-built homes from the reduced price stimulus of a $5,000 credit[5]. Another 86,000 existing home purchases by first-time home buyers will also be generated as a result of the price incentive.

Advancing Purchase Decisions

The third effect produces additional home purchases by encouraging future purchasers to advance their action. While some future purchases are already accounted for in the affordability effect and price effect estimates, there are other households that could afford to buy now, but simply would otherwise wait until later. If the credit is limited to one year, some households and potential households who were planning to purchase later will move up their decisions. We estimate 16 percent of a typical years first-time home buyers will shift from the following year to the year the credit is available[6].

These ratios are applied to the expected number of first-time home buyers in the next year. The result is another 64,000 additional newly-built home purchases stimulated as a result of buyers advancing their purchase plans and another 239,000 existing home purchasers.

The estimates of additional sales do not, of course, include

the effect of the extra stimulus upon those who would have purchased a home during the year anyway. Those "free-riders" will receive the credit, and their tax relief adds to the overall tax cost but is not included in the stimulated sales since they would have purchased anyway. NAHB assumes a base of 1.47 million[7] first-time home buyers will receive the credit but would have purchased anyway, 321,000 buy newly-built homes and 1,146,000 buy existing homes.

The free-riders will likely spend more for their first home, add more amenities, or be able to spend more on some other housing related item like furniture or decoration because of the extra funds. About 1.47 million households would receive this windfall and could account for an additional $4.4 billion[8] in additional expenditures.

Second Round Purchases

The sum of the three effects will increase existing home purchases by first-time home buyers by 560,000. Past experience suggests that about between a quarter and a third of the existing home sellers will purchase a newly-built home. Hence, another 190,000 newly-built homes will be purchased by existing home sellers.

More existing home sales will occur as each round of selling and buying oscillates through the economy. A countervailing decline in expected sales (and starts) will begin in late 1993 and 1994 when the purchases advanced from the future would have otherwise have occurred. NAHB estimates between one-third and one-half of the stimulated home buying is borrowed from 1993 and 1994.

Sales and Starts Timing

The total effect sums to 395,000 additional newly-built home sales. The net effect on housing starts depends on existing inventory, the ability of the industry to respond, and a dampened demand for new rental housing.

Although the present inventory of for-sale new homes is low, NAHB expects 50,000 of the new home sales in 1992 will come from inventory, driving the end-of-year inventory down to only 3 months supply. Another 245,000 sales will be started in 1992 to accommodate the new sales contracts and 100,000 will be started in 1993 to satisfy the new demand.

The increased demand for ownership will reduce demand for rental units. NAHB estimates a change in the base case of 30,000 fewer multifamily starts in 1993 and 20,000 fewer in 1993. The net starts results are an additional 215,000 starts in 1992. In addition to the multifamily offset in 1993, 20,000 fewer single family homes will be built because those purchases were advanced

to capture the credit, leaving 1993 with a net gain of 60,000 starts.

Summary

The credit stimulus sums to 215,000 additional housing starts in 1992. The change is the net effect of newly-built home sales because they can now afford to buy (+118,000), because the extra cash incentive effective reduces the price (+23,000), because they advance plans to the year that the credit is available (+64,000), because existing home sellers trade-up to new homes (+190,000), because some sales are made out of inventory (-50,000), because fewer multifamily rental units will be needed (-30,000), and because some homes will be started in 1993 (-100,000).

The added starts will stimulate 415,000 added jobs in 1992. The new jobs, material purchases, company profits, and stimulated economic activity in the construction and related fields will generate $3.8 billion in added federal tax revenues. Net new housing activity in 1993 will generate 127,000 new jobs, and $1.1 billion in added federal tax revenues.

Housing construction activity will increase by nearly $30 billion over the two year period.

NAHB
2/7/92

End Notes

1."Who Can Afford to Buy a House", Current Housing Report, H121/91-1, May 1991.

2. "The State of the Nation's Housing 1990" and "The State of the Nation's Housing 1991", Joint Center for Housing Studies of Harvard, 1990 and 1991.

3. We assume that the financial market will develop a means of advancing the credit to households that need the money for a down payment. Numerous bank and finance company arrangements already exist for "borrowing" a tax refund before the Treasury sends the check. The optimum solution would be to allow, in the statute, that the credit be transferable, i.e. allow the buyer to assign the future credit to the seller.

4. Since this procedure would call for unrealistically low new home prices at low incomes, a $35,000 floor for the home price was used.

5. If potential appreciation and tax benefits were also included, the "cost" of owning the home would be considerable less than the "price" and the credit is therefore a higher percentage of the cost. A lower base price in the elasticity calculation would imply a larger percentage change for the same credit and commensurately larger impact on the decision to purchase. At the extreme, if the credit were considered as an increase in the available down payment only, the elasticity measure would be many times larger. We have conservatively used the house price as the base for calculating the percent change in price from the credit.

6. An estimate of a 16 percent shift implies that the first two months of the following year's purchasers will shift their plans forward to qualify for the credit.

7. Eleven months of an average 1.6 million first time home buyers per year.

8.1,470,000 times $5,000 times .6 (likely proportion of credit that will be spent, the rest will be saved).

Housing Production and Sales Impact
from a $5,000 First Time Home Buyers Credit

	Base Case	1992	(000)s	1993	
	Starts Forecast				
(1)	Single Family	985		1,115	
(2)	Multifamily	200		309	
(3)	Total	1,185		1,424	
	Sales				
(4)	New Sales (exc custom)	572		684	
(5)	New Sales (custom)	394		446	
(6)	Total New Sales	966		1,130	
(7)	To First Time Home Buyers		348		407
(8)	To Trade-up Buyers		618		723
(9)	New Homes for Sale (EOY)	290		300	
(10)	Months' Supply	6.1		5.3	
(11)	Existing Home Sales	3,365		3,800	
(12)	To First Time Home Buyers		1,299		1,467
(13)	To Trade-up Buyers		2,066		2,333
	Effect of Credit				
	Sales/Construction Contracts				
(14)	To First Time Home Buyers		205		(49)
(15)	To Trade-up Buyers		190		(49)
(16)	Total Contracts	395		(98)	
	Credit-Induced Closing				
(17)	From Inventory	50			
(18)	From 1992 Starts	175		70	
(19)	From 1993 Starts			100	
(20)	Total Closings	225		170	
(21)	Substitution Closings			(98)	
(22)	Net New Closings	225		72	
	Starts				
(23)	Single Family	245		80	
(24)	Multifamily	(30)		(20)	
(25)	Total	215		60	
	Sales				
(26)	Sales (excl custom)	241		(59)	
(27)	Inventory For Sale	(50)		35	
	Existing Home Sales				
(28)	To First Time Home Buyers		563		(168)
(29)	To Trade-up Buyers (2nd round)		371		66
(30)	Total Existing Homes Sales	934		(102)	
	Forecast - with Credit				
	Starts				
(31)	Single Family	1,230		1,195	
(32)	Multifamily	170		289	
(33)	Total	1,400		1,484	
	Sales				
(34)	New Sales (exc custom)	813		625	
(35)	New Sales (custom)	548		407	
(36)	Existing Home Sales	4,298		3,698	
(37)	EOY Inventory (New)	240		335	
(38)	Months' Supply	3.0		6.9	

Notes:
(1),(2),(3),(4) Present NAHB forecast without credit.
(5) Inferred custom and built on owner's lot sales based on historic relationship with line (4).
(6) Sum of (4) and (5).
(7),(8) Based on history in American Housing Survey.
(9) Baseline expectations.
(10) Calculated as 12 times (9) divided by (4).
(11) NAHB forecast and historic relationship between new and existing home sales.
(12),(13) Based on history in American Housing Survey.
(14),(15) Based on NAHB model of affordability effect, price effect, and advance purchase effect on first time home buyers.
(16) Sum of (14) and (15).
(17),(18),(19) NAHB estimate.
(20) Sum of (17), (18) and (19).
(21) NAHB estimate of advanced sales into 1992 from 1993.
(22) Sum of (20) and (21).
(23) NAHB estimates, driven by estimates in (17) through (19).
(24) NAHB estimates of fall in rental demand.
(25) Sum of (23) and (24).
(26) Historic relationship of for-sale activity to total sales.
(27) From line (17) for 1992 and NAHB estimate of inventory rebuilding in 1993.
(28) Based on NAHB model of affordability effect, price effect, and advance purchase effect on first time home buyers.
(29) Estimate of move-up activity as result of first time purchases and existing home owners' subsequent purchase.
(30) Sum of (28) and (29).
(31) Sum of (1) and (23).
(32) Sum of (2) and (24).
(33) Sum of (31) and (32).
(34) Sum of (4) and (26).
(35) Sum of (5) plus (16) minus (26).
(36) Sum of (11) and (30).
(37) Sum of (9) and (27).
(38) Ratio of 12 times (37) over (4) times (16).

09:31 AM
07-Feb

February 4,1992

MEMORANDUM

To: Tom Hipple

From: David Crowe

Subject: Economic Stimulus in New England and New Hampshire

As you requested in our phone conversation and subsequent meeting, I have developed some talking points on how the President's stimulus proposals will help New England and New Hampshire. The points are:

Employment losses are the worst in the country.

New Hampshire has suffered the worst decline in construction employment of any state. New Hampshire lost 47 percent of its construction jobs in the last two and a half years (July 1989 to November 1991) compared to a national loss of 8 percent.

Other New England states have also suffered: construction employment in Massachusetts dropped 44 percent, 36 percent in Vermont, 35 percent in Connecticut, 31 percent in Maine, and 30 percent in Rhode Island.

As a region, New England lost 118,000 construction jobs (a 39 percent drop) in the last two and a half years. The New England construction job loss accounts for 29 percent of the country's decline in construction employment, in an area that accounted for less than 6 percent of the construction jobs in 1989. (A table of total employment and construction employment by state is attached.)

Housing construction has declined the most.

New Hampshire also tops the list in declines in housing construction. Housing permits fell 60 percent between 1989 and 1991, the worst of any state and compared to a 28 percent drop nationwide.

Other northeastern states also topped the list of worst declines in housing: permits in New Jersey fell 47 percent, 47 percent in Vermont, 47 percent in Maine, and 42 percent in New York.

Total housing permits in New England fell by 23,300 or 43 percent in the previous two and a half years. Nationally, permits fell 28 percent in the same period. (A table of housing permits by states is attached.)

Home sales are the worst.

The Northeast has the largest overhang of unsold inventory of any region. The Northeast region has over a one year supply of unsold homes compared to a national average of 6.6 months.

Sales of condos are at an historic low.

Condos, which are frequent first time home buyer choices, are also sitting unsold in record numbers. The latest Census figures report that only one-fifth of the completed condos are sold within 3 months, compared to 54 percent nationally. Even in the recession of 1981-1982 the absorption rate in the Northeast did not dip below 45 percent.

The first time home buyer credit will be especially important in the region.

The first time home buyer tax credit will rejuvenate housing sales and housing construction. The Northeast has a larger concentration of first time home buyers relative to all home sales than all other regions. In 1989, first time home buyers made up 45 percent of home sales, compared to 36 percent nationwide.

NAHB is predicting an additional 215,000 housing starts in 1992 from the first time home buyer tax credit. If New Hampshire can recapture the same share of the credit that the state carried in total permit construction in 1989, that could mean a 10 to 12 percent increase in construction labor jobs. Similarly, New England's share of new starts in 1992 will be an additional 8,000 to 10,000 housing starts.

Since the credit can be used to purchase an existing home, passage also means existing home sellers will be able to find a buyer for their home and will allow many of them to purchase a newly-built home.

Lower real estate values are addressed.

The ability to claim a portion of any loss from the sale of a principle residence will have an especially strong effect in New England where house values have fallen the most. Median existing home prices have fallen almost 3 percent in the last two years in the Northeast while the national index has increased almost 7 percent; that is, the Northeast is nearly 10 percentage points behind the national trend. Some individual markets have done much worse. However, just using an average decline of 3 percent implies a loss of $50 billion in home owner equity in the past two years in the Northeast region.

The stimulus package will not restore values directly, although the ultimate impact of more jobs, more home sales and more economic activity will work to improve all real estate. The ability to offset some of the lost house values will mean some owners will have an incentive to sell their homes now and at least recover some of the lost value through reduced federal income taxes.

Landlords and rental housing owners will have a better chance of survival.

The Northeast has seen the largest increase in rental vacancy rates. Over 7 percent of the Northeast rental apartments are vacant, nearly double the rate in the mid-1980s while the national rate is only 25 percent higher than the relatively normal mid-1980s.

Owners of rental properties have a greater likelihood of revenues falling short of costs as more units become vacant. Since the Tax Reform Act of 1986, losses from residential rental properties were not allowed as an offset against other income, resulting in an inequitable treatment of real estate relative to other forms of investment. The proposed changes to the passive loss rules will mean active rental property owners with costs outrunning revenues will, at least, be able to offset these losses against other income and reduce tax burdens. The impact of this change will be greatest where the losses from rental activity have been the greatest.

The Low-Income Housing Tax Credit and Mortgage Revenue Bonds are important to the region.

The extension of the low-income housing tax credit and mortgage revenue bond programs will keep jobs in New England and provide housing for those unable to afford it without the some assistance.

The low-income housing tax credit, in a typical year, adds about 2,700 jobs to New England and $70 million in wages and provides homes for over 5,000 low-income families each year. The program is scheduled to expire in July 1992 and if it is not made permanent, or at least extended, as the President proposes, the jobs, wages and added low-income units will be lost each year.

The mortgage revenue bond program provides below market interest rate mortgages to first time home buyers. The program provided support for almost 10,000 home purchases in New England in 1990. The newly-built share of these additional purchases added 3,600 jobs to the New England economy each year, jobs that will be lost if the program is

not extend beyond the July 1992 sunset.

Capital Gains.

Lowering the tax on earnings from long term investments increases the incentive to save and invest rather than spend and consume. Investments create jobs and economic growth. Modernizing factors and equipment are important ingredients to the New England and New Hampshire economy and the ability to do this at lower costs will be enhanced if a differential tax rate for capital gains is passed.

Enhanced retirement savings plans.

NAHB proposes the use of IRA and other tax deferred retirement plan savings for a down payment on a first home. The President's proposal includes a similar proposal, although the NAHB version provides a larger incentive.

The basic idea is to allow first time home buyers to use tax deferred retirement funds as down payments. NAHB proposes the down payments be classified as alternative investments which avoids the issue of penalty and taxes due at the time of purchase. The President's proposal would allow a penalty-free withdrawal for a first time home purchase, but deferred taxes would have to be paid. The NAHB proposal would increase housing starts by 2,000 on a national basis. New England would share in this increase.

cc: M. Carliner
J. Howard
D. Seiders
J. Shackford

	TOTAL EMPLOYMENT		CONSTRUCTION EMP.		CHANGE (000s)		CHANGE (%)	
	Jul 89	Nov 91	Jul 89	Nov 91	Total	Const.	Total	Const.
United States	108,454.19	109,434.06	5,085.20	4,686.23	979.86	-406.97	0.90%	-8.03%
New Hampshire	526.32	486.06	28.93	15.98	-40.26	-13.97	-7.65%	-46.68%
Massachusetts	3,108.53	2,795.36	126.08	70.77	-313.17	-55.31	-10.07%	-43.87%
Vermont	262.30	251.82	17.78	11.41	-10.47	-6.38	-3.99%	-35.85%
Connecticut	1,672.28	1,575.42	75.28	48.73	-96.86	-26.55	-5.79%	-35.27%
Maine	541.45	513.41	31.99	22.05	-28.04	-9.94	-5.18%	-31.08%
Rhode Island	457.78	430.85	20.12	14.04	-26.85	-6.08	-5.86%	-30.20%
New Jersey	3,678.70	3,557.67	163.05	129.53	-121.03	-39.52	-3.29%	-24.24%
Florida	5,259.70	5,352.69	337.24	256.10	92.99	-81.14	1.77%	-24.06%
New York	8,241.89	7,885.72	395.18	264.70	-356.17	-71.49	-4.32%	-21.26%
Virginia	2,867.29	2,868.57	194.26	159.48	1.29	-34.78	0.04%	-17.90%
Dist. of Columbia	678.23	677.93	14.34	11.91	1.70	-2.43	0.25%	-16.97%
Georgia	2,941.36	2,941.93	145.24	123.78	0.57	-21.46	0.02%	-14.77%
Tennessee	2,167.32	2,184.72	97.90	83.56	17.40	-14.35	0.80%	-14.66%
Michigan	3,918.71	3,869.62	140.00	124.33	-48.89	-15.68	-1.25%	-11.20%
Maryland	2,159.53	2,134.46	161.42	143.66	-22.07	-17.76	-1.02%	-11.00%
Minnesota	2,068.84	2,142.55	79.34	71.98	55.71	-7.39	2.67%	-9.27%
Delaware	341.09	341.01	19.85	18.10	-0.08	-1.75	-0.02%	-8.80%
Pennsylvania	5,143.23	5,144.47	232.48	215.69	1.24	-16.78	0.02%	-7.22%
California	12,584.30	12,739.70	645.33	600.76	155.40	-44.57	1.23%	-6.91%
Arizona	1,451.91	1,518.70	85.14	79.78	66.79	-5.36	4.60%	-6.30%
North Carolina	3,070.88	3,115.78	160.89	153.87	38.92	-7.02	1.26%	-4.36%
Mississippi	922.93	949.50	35.35	34.09	26.57	-1.26	2.88%	-3.57%
Oklahoma	1,171.68	1,184.82	35.85	34.82	23.14	-1.03	1.97%	-2.87%
Wisconsin	2,237.03	2,302.68	80.77	78.85	65.63	-1.92	2.93%	-2.38%
Illinois	5,225.04	5,271.91	213.28	209.76	46.87	-4.52	0.90%	-2.12%
New Mexico	561.35	592.22	29.61	29.21	29.87	-0.40	3.72%	-1.34%
Ohio	4,818.95	4,912.14	193.89	193.51	93.19	-0.38	1.93%	-0.19%
Alabama	1,592.81	1,636.70	77.10	77.20	45.88	0.10	2.88%	0.13%
Missouri	2,315.79	2,325.80	97.43	97.58	10.11	0.15	0.44%	0.15%
South Carolina	1,511.61	1,559.14	91.64	91.92	47.53	0.27	3.14%	0.30%
Nevada	592.44	641.12	44.71	44.95	58.68	0.24	10.08%	0.54%
Kentucky	1,439.43	1,493.71	69.15	69.85	54.28	0.70	3.77%	1.05%
Washington	2,056.37	2,170.31	107.55	112.19	113.94	4.64	5.54%	4.31%
Kansas	1,063.43	1,095.14	40.34	42.30	31.71	1.96	2.98%	4.87%
Indiana	2,486.88	2,537.21	111.88	117.67	50.33	5.79	2.02%	5.18%
North Dakota	260.24	272.69	9.63	10.22	12.42	0.59	4.77%	6.14%
Texas	6,846.04	7,154.54	323.47	344.13	308.50	20.66	4.51%	6.39%
Alaska	230.30	244.43	9.72	10.41	14.13	0.69	6.14%	7.09%
West Virginia	598.65	629.65	24.70	26.59	30.00	1.89	5.00%	7.64%
Montana	292.13	302.08	10.09	10.86	9.95	0.78	3.41%	7.68%
Iowa	1,204.49	1,232.81	40.44	44.05	28.32	3.61	2.35%	8.93%
Colorado	1,484.43	1,563.34	60.17	66.10	78.91	5.93	5.32%	9.86%
Hawaii	504.78	537.83	29.11	32.36	33.15	3.25	6.57%	11.16%
Wyoming	192.24	202.70	9.97	11.50	10.35	1.52	5.38%	15.28%
Louisiana	1,542.25	1,625.36	81.90	94.76	83.11	12.81	5.39%	15.63%
Oregon	1,213.67	1,268.57	45.86	54.51	52.90	8.65	4.36%	18.87%
Arkansas	892.19	925.19	32.87	38.33	73.00	6.46	8.18%	19.65%
Utah	691.58	753.11	25.83	31.27	61.54	5.44	8.90%	21.07%
South Dakota	276.95	300.29	10.24	12.65	23.34	2.41	8.43%	23.53%
Idaho	366.17	403.12	18.23	20.46	36.95	4.23	10.09%	26.09%
Nebraska	710.66	777.18	25.48	32.90	66.52	7.41	9.36%	29.09%

SENT BY:NAHB EXECUTIVE OFFICE ; 2- 7-92 ; 11:37 ; 2028220374→ 9456621B;#16

TOTAL PERMITS
In thousands

	1989	1991	
UNITED STATES	1,338.42	961.40	-28.2%
New Hampshire	7.26	2.94	-59.5%
California	237.69	105.96	-55.4%
New Jersey	30.34	16.01	-47.2%
Vermont	3.64	1.94	-46.9%
Maine	6.38	3.39	-46.8%
New York	48.74	28.07	-42.4%
Florida	164.99	96.49	-41.5%
Virginia	56.88	33.64	-40.9%
Massachusetts	21.28	12.86	-39.6%
Rhode Island	3.87	2.38	-38.5%
Connecticut	11.97	7.63	-36.3%
Maryland	40.59	26.63	-34.4%
Washington	48.21	33.35	-30.8%
Mississippi	6.64	4.62	-30.5%
Nevada	29.25	20.86	-28.7%
Oregon	23.09	16.55	-28.3%
Delaware	5.76	4.30	-25.4%
Michigan	45.69	34.52	-24.5%
Georgia	50.46	38.52	-23.7%
Illinois	42.38	32.84	-22.5%
Pennsylvania	43.48	36.58	-19.6%
Dist. of Columbia	0.41	0.33	-18.8%
North Carolina	48.35	40.32	-16.6%
Minnesota	25.13	21.45	-14.6%
South Carolina	21.20	18.14	-14.5%
Alabama	12.04	10.46	-13.2%
Tennessee	24.24	21.14	-12.8%
Kansas	8.63	7.55	-12.5%
North Dakota	2.21	1.96	-11.5%
Ohio	41.23	36.89	-10.5%
New Mexico	6.66	6.03	-9.4%
Kentucky	12.66	11.62	-8.2%
Hawaii	9.56	9.03	-5.5%
Wisconsin	26.91	25.74	-4.4%
Indiana	26.47	25.46	-3.8%
Arizona	23.82	23.22	-2.5%
Oklahoma	5.62	5.54	-1.5%
Missouri	17.97	17.79	-1.0%
Nebraska	6.04	6.20	2.7%
Arkansas	6.34	6.95	9.7%
Louisiana	6.12	7.04	15.1%
South Dakota	2.08	2.41	16.0%
Iowa	7.39	8.57	16.0%
West Virginia	1.69	2.02	19.5%
Wyoming	0.56	0.69	24.3%
Texas	41.29	51.55	24.9%
Colorado	11.13	14.94	34.2%
Idaho	4.78	6.61	38.4%
Utah	5.99	9.20	53.5%
Alaska	0.64	1.05	65.0%
Montana	0.71	1.45	105.8%

BUSH: NH TEAM "NERVOUSNESS" GREETS BUSH TODAY

The President formally declared his candidacy for reelection today in DC. He's on to NH. Bush, who "conceded" in his last visit that the economy was in "free fall" in delivering his "I care" message, "returns today with a new one: 'I have a plan'" (Ross, N.Y. DAILY NEWS, 2/12). Fitzwater said Bush's message will be: "I have a plan and it can succeed and the economy can turn around" (W. TIMES, 2/12). "Bush will announce today for the third and last time that he is running for president. Once again he is running scared" (Hosler, Balto. SUN). His "most worrisome opponent" is not Buchanan or any Dem. He is "shadowboxing with his own record on managing the economy, fearing a strong protest vote here in this most recession-wracked of states could strengthen all his would-be foes." WH pol. dir. Ron Kaufman: "I am really concerned about it. We could get hurt up there" (2/12). "Behind the confident face ... Bush will no doubt show in his return to [NH] today lies a reelection campaign organization rife with nervous strategy" (DiStaso, Manchester UNION LEADER). Bush leads Buchanan safely in all polls, but "what has some Bush aides most upset is an undecided segment as large as 20 percent in some in-house polls ... and the fact that Bush is getting a late start in the vital area of retail politicking." Noting the new schedule which has Bush in NH for an extra day and Barbara splitting from him over the weekend "to cover more ground," one Bush NH supporter: "They're nervous. ... They are absolutely flat. There is no excitement, no momentum being built. Basically, no one is totally comfortable with the polls." The BOSTON GLOBE poll and story on WH concern (see HOTLINE 2/11) "caused much consternation -- and added to the jittery mood" at a meeting of Bush NH supporters, chaired by Gov. Judd Gregg. The unnamed Bush backer added the "most nagging source of nervousness ... is that Bush may have stepped up his effort too late to prevent embarrassment" in the 2/18 primary (2/12). L.A. TIMES' Decker writes the "Achilles' heel" of the Bush campaign "has always been a perceptible lack of ardor on the part of many backers. At this point, Bush campaign officials suggest they are less worried" about Buchanan "than about their own supporters taking the election for granted and not showing up" (2/12). GOP strategist Ed Rollins writes in an L.A. TIMES op-ed: "Bush is back ... in campaign fighting form, sharper than he's been since he turned the tables on Dan Rather in the famous 1988 ambush interview" (2/12).

AD WATCH: BOSTON GLOBE's John Mashek cites Bush campaign sources "say they have a negative television ad, and a similar radio spot, ready to run in [NH] this weekend. If needed" (2/12). N.Y. NEWSDAY's Susan Page reports that ad features the voice of a Gulf vet "complaining that Buchanan opposed Bush when Operation Desert Storm began -- and likens [Buchanan] on that issue" to Sen. Ted Kennedy (D-MA). In one radio ad, Sen. Rudman (R-NH) warns GOPers a vote for Buchanan may help elect a Democrat (2/12). N.Y. TIMES' Andrew Rosenthal reports there will one more Bush ad on air by the weekend, which a "senior campaign aide described as a 'last-minute appeal for votes from the President, delivered from the Oval Office or some other spot in the White House" (2/12). Newest Bush ads focus on the Persian Gulf: "Heart-stirring shots of the shirtsleeved president in the Saudi Arabian desert with the troops of Operation Desert Storm -- the heaviest artillery in the Bush campaign's call to GOP loyalty" (Hosler, Balto. SUN, 2/12). "The historic set and an aural

NEWEST BUSH ADS

upstart Buchanan that this is an election in which the presidency and all its glories are at stake" (Gerstenzang/Jehl, L.A. TIMES, 2/12). "The unspoken suggestion is that Buchanan is not presidential material" (Germond/Witcover, EVENING SUN, 2/12). ABC's Ann Compton showed footage of the ad: "His latest campaign commercial remind voters of the days when his polls were over 90%" ("Good Morning America," 2/12).

AGENDA: "To emphasize Buchanan's initial opposition to the Persian Gulf War, Bush will pose for photographs with some National Guard veterans from Operation Desert Storm" (Hines, HOUSTON CHRONICLE). Bush will also visit a mall near Manchester "for a little of the 'retail politics' on which [NH] prides itself. Arranging for Bush to meet individual voters in so public a place has bedeviled security personnel, but aides are determined to get Bush out and about" (2/12). Quayle, in London: "I will be more than happy to make Operation Desert Shield and Desert Storm a campaign issue. ... it goes to the heart of what the American people do when they go into a voting booth, and that is to elect a president that can lead." Without mentioning Buchanan by name, Quayle "dismissed those on the 'right wing of the [GOP]' who 'would like to have a nice simple world in which America is left alone and we leave everybody alone and we don't recognize that we have got a global economy and global competition and global responsibilities'" (Vita/Glass, COX NEWS/ ATLANTA CONSTITUTION, 2/12).

WELCOME MAT: Bush received the backing of 175 of 267 state Reps., including Speaker Harold Burns, and 9 of 18 state Sens., including Sen. Pres. Ed Dupont (BOSTON HERALD, 2/12). Header over UNION LEADER publisher Nackey Loeb editorial: "A Clear Choice: Cop-Out or Conviction." Bush's "record is there for us to look back on. The results are there for us to try to live with." Buchanan is called a "believer and a tough fighter" (2/12). BOSTON HERALD's Rachelle Cohen: "Welcome to [NH], Mr. President. ... Better late than never, perhaps. But it is too late, and it's far too little" (2/12). UNION LEADER's Jack Kenny: "There's a country here, too!" (2/12). W. POST's John Yang profiles Bush. Subhead: "... Can Be Commanding and Quirky." Asked to "enunciate Bush's philosophy," Treasury Sec. Nicholas Brady "produced a newspaper article citing a Playboy magazine interview in which Bob Dylan is asked what his songs are about. Brady read Dylan's reply: 'Some of my songs are about four minutes, some are about five minutes and some, believe it or not, are about 11 or 12.'" But Bush's "lack of a clear definition may be a political asset, allowing him to redefine himself to fit the circumstances as he has throughout his political career" (2/12).

HARRY S. BUSH: "In focusing on Congress, Mr. Bush has in effect made the primary here a referendum on his economic proposals" (Germond/Witcover, Balto. EVENING SUN, 2/10). HERALD's Cohen, noting all but one of NH's congressmen are GOPers, adds "Congress ain't on the ballot next week" (2/12).

TV: NBC's Jim Miklaszewski: "Bush aides say today actually begins phase three of his primary campaign. First, he acknowledged the economy's in trouble, then proposed his own recovery plan, now, make it work. He'll ask voters to put the heat on Congress to pass his short-term package byu March 20. ... In his speech this morning he'll take the high road, sound presidential. He'll unload on the Democrats when he gets to New Hampshire late" ("Today," 2/12). ABC's Ann Compton over video of all recent photo ops (holding babies, with NH factory workers, greeting Yeltsin): "It is something of an anti-climax when

might say, 'No kidding'" (2/12). CNN's Mary Tillotson on why Bush took so long to announce: "The president wanted to maintain his presidential status as long as possible before getting down and wallowing in politics. I'm sure all of us know that politicians along with reporters and used car salesmen don't have the best odor among American voters, he wanted to stay above the fray. Of course Democrats would say that Mr. Bush has already been playing politics ... when he sent them a health care plan with no specific financing package" (CNN, 2/11).

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1) BOSTON GLOBE/WBZ TRACKING: At least 200 NH Dem and GOP likely voters surveyed nightly by KRC Communications Research; margins of error +/- 5% (2/12).

DEM	2/10-11	2/9-10	2/8-9	2/6-8
Tsongas	26%	26%	26%	25%
Clinton	20	24	26	28
Harkin	12	7	7	10
Kerrey	9	9	11	12
Brown	6	4	5	6
Cuomo (vol.)	6	6	4	2
Undec./other	18	20	21	17

GOP	2/10-11	2/9-10	2/8-9	2/6-8
Bush	50%	50%	51%	58%
Buchanan	29	28	27	28
Lennane (vol.)	2	2		
Undec./other	19	22	22	14

2) USA TODAY/CNN/GALLUP TRACKING: At least 600 likely Dem and GOP NH voters surveyed nightly; margins of error +/-5%(2/12).

DEMS	2/9-11	2/8-10	2/7-9	2/6-8	2/5-7	2/4-6
Tsongas	37%	33%	28%	26%	26%	24%
Clinton	22	26	31	33	34	37
Kerrey	12	13	13	13	13	12
Harkin	11	11	10	9	8	8
Brown	7	8	8	11	8	8
Undec.	11	9	10	8	11	11

	2/9-11 FAV/UNFAV	2/8-10 FAV/UNFAV	2/7-9 FAV/UNFAV	2/6-8 FAV/UNFAV	2/5-7 FAV/UNFAV
Bush	68%/ 28%	70%/ 27%	69%/ 27%	70%/ 27%	68%/ 29%
Buchanan	48 / 39	46 / 38	45 / 39	46 / 38	49 / 37
Tsongas	77 / 13	75 / 15	73 / 18	74 / 18	73 / 18
Clinton	60 / 32	60 / 32	64 / 29	66 / 27	71 / 22
Kerrey	64 / 22	64 / 23	64 / 21	64 / 22	65 / 19
Harkin	49 / 34	47 / 33	47 / 32	48 / 32	51 / 30
Brown	40 / 45	41 / 43	41 / 44	44 / 39	42 / 40
Cuomo		44 / 31	46 / 29		

GOP	2/9-11	2/8-10	2/7-9	2/6-8	2/5-7	2/4-6
Bush	63%	64%	65%	67%	64%	62%
Buchanan	29	27	28	28	31	30
Undec.	8	9	7	5	5	7

3) AMERICAN RESEARCH GROUP TRACKING: About 450 likely Dem and 450 likely GOP voters surveyed nightly; margins of error +/- 4.6 (ARG release, 2/12). ARG has discontinued tracking either primary without noting other candidates. THE WORDING: Dem primary -- "There are 36 candidate on the ballot in the Democratic Primary coming up next Tuesday, February 18th. In the Democratic Presidential Preference Primary will you vote for Jerry Brown, Bill Clinton, Tom Harkin, Bob Kerrey, Paul Tsongas,

candidates on the ballot in the Republican primary coming up next Tuesday, February 18. In the Republican primary, will you vote for George Bush, Patrick Buchanan, another Republican on the ballot or will you write in Ralph Nader?"

W/CUOMO & NADER	2/9-11	2/8-10	GOP W/NADER	2/9-11	2/8-10
Tsongas	29%	29%	Bush	50%	54%
Clinton	26	27	Buchanan	26	25
Cuomo write in	9	8	Other GOP	10	8
Kerrey	8	9	Nader	1	0
Harkin	8	6	Undec.	13	12
Brown	7	7			
Other Dem	1	1			
Nader write-in	0	0			
Undec.	11	11			

4) L.A. TIMES: 2,133 registered NH voters surveyed 2/3-7; margin of error +/- 3%. Subsamples: 898 likely Dems and 912 likely GOPers; margin of error +/- 4% (2/12).

QUESTION: WHAT PERCENTAGE BUCHANAN MUST WIN TO EMBARRASS BUSH?

	ALL	LIKELY DEMS	LIKELY GOPers	BUSH VOTERS	BUCHANAN VOTERS
Must win outright	21%	17%	25%	31%	13%
Over 40%	17	17	17	14	23
31-40%	25	27	25	20	35
21-30%	16	19	15	13	20
11-20%	4	5	2	2	3
0-10%	2	3	1	1	1
DK	15	12	15	19	5

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IN THE WHITE HOUSE AND AROUND TOWN:

o George Bush declared his candidacy for President today in Washington, saying "this year we say 'No more'" to an obstructionist Congress. To chants of "four more years," Bush was introduced to the campaign rally by First Lady Barbara Bush. Excerpts of the speech follow:
Announcement: "And I have an announcement to make. I want to continue serving as your president four more years. So from this moment on, I am a candidate for president of the United States officially."
Reason for running: "Well, let me tell you -- let me tell you why I'm running. I came here to do important work, and I finish what I start. In 1980, I came to Washington as a part of a team and we started a revolution to free America from -- you remember -- the politics of malaise and to set sail towards America's destiny. And then in 1988, Dan Quayle and I began our own partnership built on the same principles. And my message then and my message now is simple: I believe government is too big and it costs too much. And I believe in a strong defense for this country, in good schools, safe streets, a government really worthy of the people. And I believe -- I believe that parents, not government, should make the important decisions about health, childcare, and education. And I believe in personal responsibility. And I believe in opportunity for all. We should throw open wide the doors of possibility to anyone who has been locked out. ...
Our future rides on the important things, the big things: family, home, school, church, community, and country. We're gathered here because the American people wanted leadership, and we answered the call, and we didn't do the easy things, we did the right things. And from day one I fought for strong and effective national defense, I stuck to my principles, and we kept strong and we won the Cold War. And we stayed strong. And that enabled us to win a battle called Desert Storm. But we did far more than that. We liberated the entire world from old fears, fears of tense, endless confrontation, fears of nuclear holocaust. And now, our children grow up freed from the looming specter of nuclear war. ... And now together we will transform the arsenal of democracy into the engine of growth."
Isolationism: "The American people do not believe in isolationism because they believe in themselves. And we Americans don't hide from a good test of our abilities, we rise to the challenge. After all, our national bird is the eagle, not the ostrich."
The '92 Campaign: "Let's not kid ourselves, we're in a tough fight. But you know me, I don't seek unnecessary conflict. But when principle is at stake I fight to win, and I am determined to win, and I will win!"
Congress: "For three years, an entrenched opposition in Washington has clung to the old, failed ways, not out of

principle, but out of sheer politics, and they blocked our -- they blocked our comprehensive efforts to fight crime and drugs, they refused to join the revolution in American education, they stalled our efforts to cut taxes and slash regulation and encourage economic growth, and then they complained that nothing got done. This year we say 'No more.' To those who want to obstruct progress we say 'Get moving or get out of the way.' We've got an agenda."

Bush Agenda for '92-'96: "We have got an agenda and here is what we will do. Together, we'll get our economy up and running at full speed. We'll restore decency to the American way of life. We will silence the voices of hatred and gloom. And we will attack programs that lock people in bleak dependency as we work to reform our dismal welfare program. And we will, in the process, provide the best kind of a welfare system imaginable, good jobs for Americans able to work, and we will build the America of our dreams."

o Administration officials see Congressional action on a growth package so far as being strongly partisan politics that is more likely to end in conflict than compromise. Rather than pushing for quick passage of a short-term economic growth bill, Democratic and Republican maneuvering on Capitol Hill so far appears to be focused on jockeying for a political position that will pay dividends only after it becomes clear that no agreement on an economic growth package can be reached. "Clearly, the Democrats want to put forward a veto strategy," said an Administration official involved in the issue. "They want to force the President to veto a growth package." There is a growing concern among some Administration officials that House Ways and Means Chairman Dan Rostenkowski will fashion a Democratic alternative to the President's plan which will be similar in most ways, but will add a relatively small increase in the top income tax rate. "Rosty will push for a change in the top rate up to the point of making Bush think about it," said a White House source. "He will give [the President] everything, but then add on the tax. He truly believes the wealthy can afford to pay a little more in taxes. He knows [the President] would veto a change to 40 percent, but would he veto a change of a few percentage points as long as he gets the rest of what he wants? Rosty wants to find out." A White House official added: "The general feeling over here is very much that the Democrats are appearing to act moderate and accommodating, but in fact are playing a very tough political game. They will take something that looks fairly close to the President's plan, and add a millionaires' surtax, something for people making over $150,000 -- not shoot up the rate terribly, but just enough so that it will have high popular support, and then dare him to veto it. They know

if he signs it, he reneges on his no-new-taxes pledge again. If he vetoes it, he is favoring the rich and they then use the fairness issue against us. They are trying to set him up." As for what the White House will do to avoid this political trap, the official said: "We are trying to put together a legislative strategy to deal with it, but it is fair to say that it has not been arrived at yet. ... It is not a factional thing, where you have Darman the accommodationist vs. the hardliners, it is more that everybody realizes the Democrats are playing this thing very smart and we will have to come up with a smart strategy of our own to counter it. I think everybody does feel deep in their hearts that the answer is that the President stands on principle and says he doesn't want a tax increase of any kind for anybody." An Administration official agreed, saying: "Our bottom line is that the American people do not want tax increases, they don't want class warfare, what they want is economic growth, jobs, and hope for families. Our plan does that without tax increases and if the Democrats can't do that without raising taxes -- no we can't accept something like that. That is the bottom line."

o The political jockeying over an economic growth package is today centering on how many of the President's proposals will be considered. The White House and House Republicans have joined ranks behind a "streamlined," seven-point plan, whereas House Majority Leader Richard Gephardt introduced for consideration what he sees as being all of the President's tax-related growth proposals. The move by Gephardt, said his aide David Dreyer this morning, "served to highlight the fact that, when push came to shove, the Republicans walked away from the middle-class tax cut and simply wanted the high-end business goodies." As for whether the Republicans would get their way of having a two-track legislative approach -- short-term and long-term proposals being split into different bills -- Dreyer said: "It would not be useful for the Ways and Means Committee to engage in a nine-month markup, which would inevitably occur under their two-track approach. Rostenkowski is committed to moving a bill promptly, but one bill, not a series of bills. Whatever is going to get passed [by the House] is a) going to be passed promptly, and b) the only train leaving the station. People will have to decide, with one tax bill being passed this year, what passengers are going to ride the train." Dreyer indicated, however, that the Republicans would be allowed to have a floor vote on their measure, whatever it ended up being. According to Dreyer: "Everything I have heard is that whatever [it is] the Republicans want to vote on...they will have a shot."

o House Republicans are almost fatalistic about what they

see as a move by House Majority Leader Gephardt to force a difficult vote on an economic growth package. According to House Republican sources, Gephardt intends to introduce a bill amounting to a compilation of the economic proposals President Bush mentioned in his State of the Union address, then force an up-or-down vote on that bill. Since a bill that goes beyond the President's proposed short-term economic growth package would have almost no chance of garnering a majority, the sources say, Gephardt would then be in a stronger position to argue for passage of the House Ways and Means bill, authored by Democrats. "They have a majority and they can do whatever they want," said one Republican source. Another echoed that sentiment, adding that "this is almost so predictable as to be boring. The only interesting thing will be to see what the Administration's reaction will be." Congressman Bill Archer, the ranking Republican on the Ways and Means Committee, went out of his way yesterday afternoon to describe the bill Gephardt will introduce as not being representative of the President's package. The Ways and Means Committee is expected to report out the Gephardt bill today, but aides to Archer say he is not convinced the committee will report out the House Republican version of the bill, H.R. 4200, and that it is "still up in the air" whether H.R. 4200 will make it to the floor for a vote.

o The overflow crowd for the President's speech this morning was a welcome relief for Bush's campaign officials, but not for a few White House aides. Yesterday, Bush-Quayle officials started to worry that not enough people would show for the President's announcement and sent VIP passes to senior Administration officials. This morning, however, too many people showed up, forcing the fire marshall to close the entrances early. Among those turned away at the door were Assistant-to-the-President-level White House officials.

o The Food and Drug Administration intends to ban silicone breast implants after its advisory panel meets next week, say sources, setting the stage for what could be an emotionally charged debate between Capitol Hill lawmakers and the Bush Administration. Last month, the F.D.A. imposed a 45-day "moratorium" on the implants, but the "ban" is expected is to be permanent. F.D.A. Administrator Dr. David Kessler has not issued a public statement and continues to assure opponents of the ban he will wait for the advisory panel's recommendation during its two-day session next week. But sources say the Administrator has, "in his own mind," already made the decision and intends to announce it on or before February 25. Kessler's ruling would prohibit the use of silicone implants for women who choose them as part of a breast

cancer surgical reconstructive program or any other reason. As many as two million women have chosen silicone implants over the past 30 years, say industry sources. The ruling is almost certain to set off a firestorm of protest from some quarters on Capital Hill. Last Thursday, Kessler met with several members of the Congressional Women's Caucus in a session described by one source as "contentious". Among those attending were Representatives Nancy Johnson, Olympia Snowe, Mary Rose Oakar, and Marilyn Lloyd who, herself, is awaiting silicone implants as a result of breast cancer surgery. Representative Johnson told the Bulletin that, during the meeting, Kessler repeated his public position: that his decision would be based on a final review of the evidence with the advisory panel. "I would certainly hope Dr. Kessler has not made up his mind on the ban. He indicated he was convening the panel to review the evidence," said Johnson. The ban could also catch an "oblivious" White House by surprise, suggest others. "The White House has not weighed in on this", said one source. "Nor is it expected to. This is an F.D.A. issue."

o While Kessler and other supporters of the ban have tried to focus the debate on the "safety" of the silicone implants, several sources suggest available data reveal a "low incidence rate" of problems. Still, none disagrees research should continue. "There wasn't a member in that meeting [between Kessler and the Congressional Women's Caucus, who doesn't support doing the research to evaluate implants, to identify problems, and to develop solutions," said Representative Johnson. "But I am very concerned about banning an important product that has, apparently, a low incidence of problems without completing the research to identify and evaluate the problems. That research is going on now and it's only a matter of months," Johnson said. "I'm convinced that the women of America are capable of handling state-of-the-art information if the government provides them with that information." An aide to Rep. Oakar, sponsor of an Informed Consent Bill, which would require physicians in each state to fully inform women of treatment options before undergoing breast cancer surgery, said Oakar believes women need to make their own decision based on a full briefing of the available information. "She really wants to lay out all the information so women can make an informed choice," said the aide. On Monday, Dow Corning Corp., a leading manufacturer of silicone implants, released 800 pages worth of internal studies on the safety of the device. A page-one story in yesterday's Washington Post described the material released as containing "27 scientific studies and numerous internal company documents spanning 25 years", but the article itself specifically referenced only a handful of memos written by Dow Corning employees

over an eleven-year period. Opponents of the silicone ban have described the concerns as "anecdotal" and "nothing new." To date, there has not been a thorough review of the research by the F.D.A. or any other government entity, and sources say Dow-Corning and other industry representatives do not oppose such a review as long as it is conducted by a qualified panel. On that score, several opponents of the silicone ban are questioning the make-up of the F.D.A.'s advisory panel, which would theoretically review such research, suggesting that it is both biased and unqualified. According to sources, at least two members have a history of receiving financial compensation in return for their testimony as product liability experts in other cases.

o Predictably, Kessler's expected ban of silicone implants has some opponents of the ban questioning his personal motives, his view of government's proper role in regulation, and his sensitivity to an issue many see as a fundamental violation of an informed woman's right to make her own decisions. One source said his decision to ban the implants is an effort "to go for the headlines." Others see it as a manifestation of Kessler's fondness for larger, more intrusive government. "This heavy-handed approach, when you combine it with his overall approach to regulation and enforcement, could lead one to believe that Dr. Kessler needs to be reminded that Michael Dukakis lost the election." said one source involved in the matter. For her part, Representative Johnson suggested that the decision to have breast implants itself is often misunderstood. "If this were another product, perhaps one that some men did not consider a cosmetic product, I do not believe the government would take the stand it is taking. I fear that there's too much politics in this and not enough science. And I believe that if that's the case, it's demeaning to and discriminatory toward women."

LAST LAUGHS:

- Jay Leno: "President Bush said the reason he went to the supermarket [last week] was to check out some of the latest technology. I don't think so. I think the real reason he went to the supermarket was to read the tabloids and find out what Bill Clinton was up to." (NBC The Tonight Show, 2/11/92)

- Jay Leno: "President Bush says in his new health care program he will encourage people to avoid drugs, drink less and practice safe sex. Does he really think Congress is going to pass something that they themselves aren't eligible for?" (NBC The Tonight Show, 2/11/92)

# # # #

Dan — what did you eat for lunch? JG

Flotus will not be in Chamber when pols speaks has in progress of this

FACT CHECKED

McGroarty/Bunton
February 10, 1992
4:30 pm

PRESIDENTIAL REMARKS: NEW HAMPSHIRE STATE LEGISLATURE
FEBRUARY 12, 1992
2:00 P.M.

2/12/92 8:10 a.m. Not going to be there unless Lee Marden in

— wife Andrea — wife Ellie — wife Kathy

Mr. President [Ed Dupont, Jr.], Mr. Speaker [Harold Burns], members of the Executive Council, Governor Gregg. Ladies and gentlemen of the New Hampshire State Legislature: my thanks for that warm welcome.

Chief Justice David A. Brock, Governor's Council / Gov. Gregg's Executive Counselors

[[I decided to come here today because I figured it's been awhile since the people of New Hampshire have heard a political speech.]]

Lee Marden in gov's office said no associate justices, no courts @ 9:50a 2/12/92

Ask Brannan Gov's Office Legal Counsel

Several weeks ago in Washington, I spoke in a chamber similar to this, to a group about this size.... Now, don't worry: that's where the comparison ends.

New Hampshire's legislature is the living legacy of Lincoln's words: of, by and for the people. / I look out at Senator Gordon Humphrey, come home to serve his state -- at all the remarkable men and women who balance the responsibilities of work and home with this public trust.

[[What leads you to serve? / It can't be the salary: that's not enough to cover the cost of two Celtics tickets come playoff time.]] What sustains this state is a tradition as old as America itself: A commitment to self-government that stretches from Pittsburg to Pelham, from Claremont to Conway to every corner of this state.

Doing checked!

New Hampshire looks to government as a last resort -- not as the first answer to each and every problem. It doesn't see

people's paychecks as potential revenue. Its rule is right: limit government -- not freedom.

This body governs itself the way we as citizens want to be governed: by the rules of common sense and fair play.

Believe me, we don't see much of either back in Washington. Well, we can do better -- provided we follow your lead.

Up here, you manage to avoid being enlightened by liberal economists. New Hampshire operates on the radical notion that a legislature should spend no more than it takes in. It's time for the federal government to follow your lead. //

New Hampshire legislators guarantee every bill a public hearing -- and every bill gets to the floor for a vote. It's time for the Congress to follow your lead. //

12 years ago, this state helped spark a new American revolution -- a revolution that marked the end of a weary era, and a new birth for freedom. Together, we made America proud. Together, we made America strong. Together, we made America respected in the eyes of all the world.

We fought great battles. // We stood fast against imperial communism -- and we watched walls the world over come tumbling down. // For 45 years, we fought in the trenches of the Cold War -- and we won. //

And let me tip my hat to every man and woman who ever served -- and to the American taxpayer -- because communism didn't just fall. It was pushed. //

Finally, just one year ago, we drew a line in the sand -- and helped defend a small nation and a grand ideal. We put Saddam Hussein back in his box -- where he belongs. //

We did these things because we had the courage to lead. //

And because we led -- America is free / America is safe / America is at peace.

Yes, dangers remain -- dark corners of the world not yet blessed by freedom. No, our work in the world is not yet over. But the great struggles we've won, the great changes we've seen do more than open new worlds -- they open new opportunities for us at home.

But for us to move forward -- for America to lead the world -- we've got to our economy moving again. //

Last month, I spoke to the American people -- and spelled out my plan to pull this country out of recession and into recovery. / I know all of you have heard plenty about plans that promise the moon. Let me say to the citizens of New Hampshire: Judge my plan by its first principle: Government is too big -- and it spends too much. //

We put a stop order on new federal regulation. I've begun a 90-day review, and I've set this goal: Whatever regulation promotes growth goes forward. Whatever stifles growth gets scrapped. //

We've declared war on frivolous lawsuits. If this country rewarded success as easily as we slap on a lawsuit, our economy would be well on its way. //

We've worked to control spending. I've called on Congress to eliminate -- cut out altogether -- 246 federal programs. Somebody has got to say no -- and I'm the man who will. //

One thing would make it easier. Give me the tools -- and I will finish the job. Give me the line item veto. //

I took action with the authority I have as President -- and then I challenged Congress to act. I set out a two-part strategy to ensure economic growth: an immediate action plan to spark recovery -- and a long-term plan to guarantee progress and prosperity into the next American Century. //

The people of New Hampshire have a right to ask: we've been hit hard. What will this plan do for us? Fair question.

First, my plan will bolster the real estate market. With its ripple effect for the rest of the economy, real estate can lead the way back to recovery.

My plan helps New Hampshire homebuyers. It provides a $5000 dollar tax credit to first time buyers: $2500 this year, $2500 the next. It lets them draw on their IRA accounts to make that purchase, penalty free. / For the average New Hampshire family buying the average New Hampshire house, my plan means tax breaks worth six months of mortgage payments. //

And what's good for the families who want to buy that first home is good for the people who build them. //

Nationwide, housing economists predict my plan will create a boom in home-building. In this state alone, my plan will generate 1000 new housing starts -- pump 120 million dollars into



the state economy. Best of all, it will put more than 2000 New Hampshire construction workers back on the job. //

My plan will also help the pioneering high-tech firms that call New Hampshire home. / Pass my plan -- and give companies an Investment Tax Allowance: help growing firms accelerate investment. Make the R&E tax credit a permanent part of the federal tax code.

Pass my plan -- get investment flowing again: cut the capital gains rate to 15 percent. //

Pass my plan -- and give American companies a competitive edge.

Pass my plan -- and get New Hampshire moving again. //

That's my short-term prescription: No games -- no gimmicks. Just a plan that works, for America -- for New Hampshire. //

Look to the long-term, and we've got work to do as well -- steps we can take right now to guarantee progress and prosperity into the next American Century.

We get there by investing in the technologies of tomorrow, with federal support of R&D at record levels. We need to share the results, get the great ideas generated by public funds out into the private sector -- off the drawing board and onto store shelves. Our National Technology Initiative will do just that -- and right now, in Boston, the first regional meeting is underway. //

We get to the future by letting the states do what they do best. Far too often, states have their hands tied by Washington.

The federal government passes a mandate -- and then passes the buck. You get stuck raising taxes. No more: We've declared war on unfunded mandates.

We get to the future by strengthening the family. My plan provides an extra $500 dollar exemption for every child. And just last week I announced my comprehensive health care reform: reforms that will keep costs down -- and open up access to 30 million uninsured Americans. / And we'll do it through choice -- not central control. The last thing the American people want is a system that lets the government play doctor. // stick out your wallet and say ah!

Look at the problems that plague us today: crime, drugs -- the erosion of moral values. Trace each one to its root causes, and you'll see one common factor: the decline of the family. This country must reaffirm a simple truth: When the family comes first, America is first. //

Every parent knows: our children are our future. We must challenge ourselves to revolutionize -- literally re-invent -- America's schools. New Hampshire has joined the America 2000 revolution. Let common-sense be our guide -- and let common-sense begin by letting parents choose which school is best for their child. //

Finally, we meet America's destiny by expanding trade -- opening new markets for American goods. I'm proud of the progress we've made, working to open markets from Asia to Europe to the Americas. Just this week, I signed a new investment accord with the nations of Latin America. Last month, the

agreement we reached with Japan will help computer companies right here in New Hampshire. That's a solid record in three years time -- a good start that we'll make even better.

But free trade has come under attack. The drumbeat mounts for a new isolationism -- this one, an economic retreat from reality.

The simple truth is, protectionism isn't a prescription for prosperity. Boil away all the tough talk, all the swagger and the patriotic posturing, and protectionism amounts to nothing more than a smokescreen for a country running scared. //

That's not the America I know. The America I know is a country ready to take on the world -- ready to rise to new levels, not run for cover. America isn't the kind of country that locks the doors, pulls down the shades and tells the world to go away. / Our symbol is the eagle -- not the ostrich. //

You see: I agree with Ronald Reagan. America is a shining city on a hill -- not a country cowering behind the neighborhood fence. Think of the generations who came to New Hampshire to work and found a welcome. America must never be a land marked off by a thousand-mile trench and a sign that says "No Trespassing." Let America always be a safe haven for people seeking freedom. //

Never in this nation's long history has America turned its back on a challenge -- and we won't start now. //

A proud America will never be protectionist. //

And make no mistake: No state would be hurt more by economic isolationism than New Hampshire. Right now, New Hampshire businesses reap more than $3 billion dollars a year from exports -- across this state, that's 45,000 jobs tied directly to foreign trade. / And even in these hard times, New Hampshire's exports increased {70%} in the past three years alone.

It's an economic fact of life: If we close our markets, other countries will close theirs. When the walls go up, who gets hurt? New Hampshire first. //

Well, this President won't let that happen. //

We're going to compete -- not cut and run. Let the world know: America is in it to win. ///

I believe the good people of this state -- like citizens all across this country -- are ready to move ahead, to move forward to meet a new American destiny. Everyone sees the time has come for change -- everyone feels the excitement, everyone is impatient to begin. //

Everyone, that is -- except the Congress. //

Two weeks ago, I urged the Congress to work with me -- to do the will of the American people. I laid out the action plan I've outlined here -- and, yes, I set a deadline to help move Congress along the way.

It must sound strange to the people in this chamber -- strange for legislators who meet for only 45 days a year to hear Congress complain that 52 days is **just not enough time**.

They say: The deadline is arbitrary.

They say: The deadline is too early.

They say: The deadline is unfair. //

I say: **The deadline is March 20**. ///

I challenge the Congress: Don't bury my plan in some sub-committee / don't declare it D.O.A. / don't resort to parliamentary tricks and Roberts Rules of Order to make my plan vanish without a trace. // So I say to the leaders who control the Congress: Discuss, / debate -- disagree if you want to -- but bring my plan to the floor, and put my plan to a vote. //

By March 20th, I want to be able to report that the liberation of America's economy has begun. //

I ask the people in this chamber, I ask the good people of this state to give me your strong support. Send a message to the Congress. Tell them America wants to meet its future. Tell them the time has come **to act**. //

Today is a special day for me / for Barbara / for my family. I think back across the years to the lesson I learned long ago -- I look ahead in wonder to what can be: And I know: There is no higher honor than serving this great nation. //

Thank you, New Hampshire, for this warm welcome. And may God bless this land we share, the United States of America.

# # #

HANNS NOT IN -- SENTENCE PER TOM SCULLY [5178]

"AND OPEN ACCESS TO AFFORDABLE HEALTH INSURANCE [CARE] FOR ALL AMERICANS -- PROVIDING NEW COVERAGE FOR ALMOST 30 MILLION AMERICANS."

JB

"almost 30 million" is consistent w/ language from Cleveland speech. + just double checked.

JB

REMARKS @ ANNUAL SOUTHERN BAPTIST CONVENTION IN ATLANTA, GEORGIA JUNE 6, 1991

In this Bicentennial year of the Bill of Rights, we would do well to pause and reflect on religion's roots in our society, and our society's roots in religion. The founding fathers thought long and carefully about the role of religion and government in our society. And it's no accident that among all of the freedoms guaranteed by the First Amendment—freedoms of speech, of the press, of assembly, of petition—the first was the freedom of religion. And that's why the story of a little girl named Monette Rethford, out in Norman, Oklahoma, is now getting national attention.

A fifth-grader in public elementary school, Monette liked to read her Bible under a shade tree during recess. No teachers involved, no disruption of the school activities—just Monette and then, from time to time, a handful of friends who joined her, voluntarily, to share their faith and discuss how it touched their daily lives.

Yet school officials told Monette that her prayer group was illegal on school property—an "unlawful assembly." They forgot that the First Amendment was written to protect people against religious intrusions by the State—not to protect the State from voluntary religious activities by the people.

I would add this: that the day a child's quiet, voluntary group during recess becomes an "unlawful assembly," something's wrong.

In that spirit, once again I call on the United States Congress to pass a Constitutional Amendment permitting voluntary prayer back into our nation's schools. You see, let's put people first—and allow them the freedom to follow their faith.

Putting people first also means making sure government allows people to make their own decisions—and that means giving parents and families the right to choose the kind of child care that they want for their kids. Choice in child care.

Just today we are publishing regulations that will provide the first vouchers for child care. And finally, low-income parents will have the chance to choose where their kids get child care—including religious settings and with religious instruction. Just on my way over here this morning, here in Atlanta, I visited a church-based child care center where children receive first-class care—regardless of their parents' religion, background, or income. We fought a long time to preserve choice for parents. And today, it truly becomes a reality—at least in child care.

We want to extend the concept of choice to include schools. Every family should have the freedom to choose a school for a child. Our efforts for choice in schools seek to put power in parents' hands. We trust them to make the right decisions for their kids. And some argue that choice will make bad schools worse. Our new Secretary of Education doesn't agree with that, and I don't agree with that. I am confident that choice will make even the bad schools better. They'll have to compete.

And something more—one of our national education goals—we believe that kids should be safe to walk the streets—any streets. Schools should also be free from the fear of crime and the despair of drugs. And if you detect a note of frustration in what I'm about to say, you're a good psychiatrist, because it's true.

Back on March 6th, I challenged the Congress of the United States to pass a tough crime bill in 100 days—to keep our streets safe. And yet, the leadership has failed to make crime a priority issue. We submitted our first crime bill more than 2 years ago—and nothing has happened. Surely the United States Congress can pass a crime bill in what's left of that 100 days.

There's another issue before the Congress—that's the question of human life, the question of abortion—a difficult and a deeply emotional decision for all Americans. The question—and we've faced it before—is whether the American taxpayer should pay for abortions. And honest people of goodwill, I'm sure, differ on this question, but I firmly oppose Federal funding of abortions, except where the life of the mother is endangered. Since 1981 the Federal Government has determined that taxpayer funds should be used for abortion only in this most narrow of circumstances.

And whatever we've learned over the last few decades, it's clear that America is a nation that no longer lacks a moral vocabulary. Ideals like decency and virtue are no longer subject to scorn.

And I'd ask that you hold fast to the Southern Baptist ideal of "a free church in a

BUSH 92 QUAYLE

Date: 2/11/92 Time: 3:15 ~~2:15PM~~

To: Dan McGroarty

FAX Number:

Telephone Number:

Comments:

From: JIM PINKERTON

FAX Number: 202-336-7116

Telephone Number: 202-336-7180

Number of Pages Including Cover Sheet ~~4~~ 6

My apologies!

Michelle

STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR
JUDD GREGG, GOVERNOR

FAX TRANSMITTAL

TO: Dave Carney

FROM: Joel Maiola

NUMBER OF PAGES TO FOLLOW: 4

PLEASE CALL TO CONFIRM: 271-2121

Passed Feb 5th V.A
VOICE VOTE

STATE HOUSE • CONCORD, NEW HAMPSHIRE 03301-4990 • TELEPHONE: 603-271-2121

Appointees replaced: _____
Date C of C report rec'd _____ Adopted / Not adopted _____
Committee discharged _____ Request new C of C _____
House appointees: 1) _____ 2) _____ 3) _____
4) _____ 5) _____
Appointees replaced: _____
Report Adopted / Not adopted _____ Asst. Clerk
Certified by _____

OTHER ACTION

1991 SESSION

12731.
91-1204
04

HOUSE CONCURRENT RESOLUTION NO. 4

INTRODUCED BY: Rep. Burns of Coos Dist. 5; Rep. Gross of Merrimack Dist. 16; Rep. Chambers of Grafton Dist. 12; Sen. Dupont of Dist. 6; Sen. Delahunty of Dist. 22; Sen. Disnard of Dist. 8

REFERRED TO:

A RESOLUTION supporting the U.S. troops in the Persian Gulf.

ANALYSIS

This concurrent resolution recognizes the efforts of the United States in working to restore Kuwait's independence through the commitment of United States military forces in the Persian Gulf.

- -

EXPLANATION: Matter added appears in ***bold italics***.
Matter removed appears in [brackets].
Matter which is repealed and reenacted or all new appears in regular type.

12731
91-1204
04

HCR 4

STATE OF NEW HAMPSHIRE

In the year of Our Lord one thousand
nine hundred and ninety-one

A RESOLUTION

supporting the U.S. troops in the Persian Gulf.

Whereas, the President of the United States, with the authorization of Congress, has ordered military action against Iraq in an effort to force Iraqi armed forces from occupied Kuwait; and

Whereas, hundreds of men and women who serve in the New Hampshire reserves and National Guard have been called to active duty since August 22, 1990; and

Whereas, these men and women have joined with other members of the United States armed forces and members of the multinational forces to restore Kuwait's independence; and

Whereas, the people of New Hampshire have the greatest pride in the men and women of the United States armed forces and support them in their interest; and

Whereas, the families of these men and women play an important role in providing support to them; now, therefore, be it

Resolved, by the House of Representative, the Senate concurring:

That the general court of the state of New Hampshire supports the efforts and the leadership of the President as Commander-in-Chief in the Persian Gulf hostilities; and

[redacted]

Enrolled,OLS: By/Date FJS 2/6/91 SM 2/6/91

HOUSE ACTION

Date HB Intro'd FEB [illegible] 3 1991
Referred to
Vacated

Date SB rec'd in House
Referred to
Vacated

Comm rpt: (OTP) — OTP/A — ITL — Re-refer — Int Study
Sub rpt: OTP — OTP/A — ITL — Re-refer — Int Study
Floor amendment
Floor amendment
Floor amendment
Ref'd to Appropriations — Ref'd to Ways-Means / ED&A
Comm rpt: OTP — OTP/A — ITL — Re-refer — Int Study
Sub rpt: OTP — OTP/A — ITL — Re-refer — Int Study
Floor amendment
Rules suspensions: (1) GRAY & CHAMBERS MOVED SUSPENSION TO ALLOW CONSIDERATION AND PASSAGE AT PRESENT TIME - VV - ADOPTED NEM 3/3
FEB 5 1991

Ordered 3rd reading — Read 3rd time / passed VV FEB 5 1991
Other action: Lay on table — Off table
Indefinite postponement
Recommit
Reconsideration
Special Order
Other
Certified by — Asst. Clerk

HOUSE ACTION ON SENATE AMENDMENT TO HB

Date HB rec'd w/Senate amendment — Concur / Nonconcur / Req C of C
House appointees: 1) 2) 3)
4) 5)
Appointees replaced:
Certified by — Asst. Clerk

HOUSE ACTION COMMITTEE OF CONFERENCE

Date SB rec'd request C of C — Accede / Refuse accede
House appointees: 1) 2) 3)
4) 5)
Appointees replaced:
Date C of C report rec'd — Adopted / Not adopted
Committee discharged — Request new C of C
House appointees: 1) 2) 3)
4) 5)
Appointees replaced:
Report Adopted / Not adopted
Certified by — Asst. Clerk

Hanns 663
all
30 mill
uninsured
Americans
All americans
ref ins is given to
all Americans except 30 m
Com in to plan

M E M O R A N D U M

TO: SPEECHWRITERS AND RESEARCHERS

FROM: DOUG CHIA, RESEARCH INTERN DC

DATE: FEBRUARY 11, 1992

RE: COMPLAINTS ABOUT MARCH 20 DEADLINE

MAGIC NUMBER: 28

Talk about the deadline has died down quite a bit. Here is a compilation of comments gathered from the past few days:

In an exchange with Samuel Skinner on NBC's "Meet The Press," John Cochran said, "[O]f course, Congress will not [pass the President's economic package] by March 20."

Campaigning in New Hampshire, Patrick Buchanan said, "When [Ronald Reagan] came to Washington, he buckled on his sword and he went out and fought from Day One for what he wanted. He did not wait until March 20 of his fourth year in office."

Sen. Bob Packwood said Thursday that it was unlikely Congress would meet the March 20 deadline the President set.

Roll Call reports that the deadline is slowing the movement of a campaign finance reform bill. They state that Speaker Thomas Foley and Sen. George Mitchell have "concern that President Bush's March 20 deadline for action on his economic growth package could interfere with the timetable [for campaign finance reform legislation]."

Roll Call also reports that Republicans see Senate procedures generating over 100 amendments onto a tax policy that would bog things down as March 20 approaches. Sen. Mitchell "says he wouldn't put it past Republicans themselves to slow the process down, then point the finger at Democrats."

Miss Deadline, Lose $355/Day, Seymour Urges

By Karen Foerstel

Sen. John Seymour (R-Calif) wants his colleagues to be docked one day's pay, every day starting March 21, if they fail to pass an economic growth package by the deadline set by President Bush during his State of the Union message last month.

Seymour introduced legislation Thursday night calling for the Secretary of the Senate to withhold $355 from each Senator's paycheck for each day past the President's March 20 deadline that a package is not passed.

The amount of $355 was derived from the annual Senate salary of $129,500. If the

Senators would have to pass Bush's economic plan, or some other, by March 20.

package were not passed until June 1, for example, the delay would cost each Senator $25,560.

"Either we produce or we do not get paid," Seymour, who faces a tough election race this year, said on the floor Thursday. "No package, no pay. That is the challenge."

Under the legislation, S.J. Res. 253, the docked pay would be transferred daily to the Unemployment Trust Fund.

"[It] may be the first time that our penchant for inactivity would be put to good use," Seymour said.

The legislation does not require that the Senate approve the exact economic growth package called for by Bush, but simply that some package addressing the matter is passed by the Senate. Members would not get their missed pay returned to them after an economic growth package was passed.

So far, the joint resolution has received no co-sponsors, but a Seymour aide said several offices have been contacted and have expressed an interest.

McGroarty/Bunton
February 11, 1992
6:30 pm

PRESIDENTIAL REMARKS: NEW HAMPSHIRE STATE LEGISLATURE
FEBRUARY 12, 1992
2:00 P.M.

Mr. President [Ed Dupont, Jr.], Mr. Speaker [Harold Burns], members of the Executive Council, Governor Gregg. Ladies and gentlemen of the New Hampshire State Legislature: my thanks for that warm welcome.

[[I decided to come here today because I figured it's been awhile since the people of New Hampshire have heard a political speech.]]

[[Several weeks ago in Washington, I spoke in a chamber similar to this, to a group about this size.... Now, don't worry: that's where the comparison ends.]]

New Hampshire's legislature is the living legacy of Lincoln's words: of, by and for the people. / I look out at all the remarkable men and women who balance ~~the responsibilities~~ of work and home with this public trust -- [[I see Senator Gordon Humphrey: maybe he got it right: -- serve close to the people.]]

[[What leads you to serve? / It can't be the salary: that's not enough to cover the cost of two Celtics tickets come playoff time.]] What sustains this state is a tradition as old as America itself: A commitment to self-government that stretches from Pittsburg to Pelham, from Claremont to Conway to every corner of this state.

New Hampshire looks to government as a last resort -- not as the first answer to each and every problem. It doesn't see

people's paychecks as potential revenue. Its rule is right: limit government -- not freedom.

This body governs itself the way we as citizens want to be governed: by the rules of common sense and fair play.

Up here, you manage to avoid being enlightened by liberal economists. New Hampshire lawkmakers operates on the radical notion that a legislature should spend no more than it takes in. New Hampshire lawmakers guarantee every bill a public hearing -- and every bill a vote. // It's time for the Congress to follow your lead. //

This state helped spark a new American revolution -- a revolution that marked the end of a weary era, and a new birth for freedom. Together, we made America proud. Together, we made America strong. Together, we made America respected in the eyes of all the world.

We fought great battles. // We stood fast against imperial communism -- and we watched walls the world over come tumbling down. // For 45 years, we fought in the trenches of the Cold War -- and we won. //

And let me tip my hat to every man and woman who ever served -- and to the American taxpayer -- because communism didn't just fall. It was pushed. //

Finally, just one year ago, we drew a line in the sand -- and helped defend a small nation and a grand ideal. We said: international law would be upheld -- and ~~this~~ aggression would

not stand. And with our coalition partners -- we kicked Saddam Hussein out of Kuwait. //

[[And one thing more about Desert Storm. There are those who didn't support us then -- there are those who second-guess us now. // Not New Hampshire. As Commander-in-Chief, let me thank this Legislature for its Resolution in support of Desert Storm. Half a world away, to the men and women who carried the battle -- your support gave them the strength to succeed. In those difficult days -- when our troops laid it on the line -- New Hampshire did not hesitate. //]]

We did these things because we had the courage to lead. And because we led -- America is free / America is safe / America is at peace.

Yes, dangers remain -- dark corners of the world not yet blessed by freedom. No, our work in the world is not yet over. But the great struggles we've won, the great changes we've seen do more than open new worlds -- they open new opportunities for us at home. And this we know: if we can change the world -- we can change America. //

But for us to move forward -- for us to lead the world -- we've got to get America's economy moving again. //

Last month, I spoke to the American people -- and spelled out my plan to pull this country out of recession and into recovery. / I know all of you have heard plenty about plans that promise the moon. Let me say to the citizens of New

Hampshire: Judge my plan by its first principle: Government is too big -- and it spends too much. //

We put a "stop order" on new federal regulation. I've begun a 90-day review -- 90 days to take a hard look at regulations that hurt more than they help. The day of over-regulation is just that: over. //

We've declared war on frivolous lawsuits. If this country rewarded success as easily as we slap on a lawsuit, our economy would be well on its way. //

We've worked to control spending. I've called on Congress to eliminate -- cut out altogether -- 246 federal programs. One thing would make it easier: Give me the tools -- and I will finish the job. Give me the line item veto. //

I took action with the authority I have as President -- and then I challenged Congress to act. I set out a two-part plan to ensure economic growth: an immediate action plan to spark recovery -- and a long-term plan for the future. //

The people of New Hampshire have a right to ask: we've been hit hard. Too many of us have lost our jobs -- even lost our homes. What will this plan do for us? / Fair question.

First, my plan will bolster the real estate market. In New Hampshire and across the country, real estate will lead the way to economic recovery.

My plan helps New Hampshire homebuyers. It provides a $5000 dollar tax credit to first time buyers: $2500 this year, $2500 the next. It lets them draw on their IRA accounts to make that

purchase, penalty free. / For the average New Hampshire family buying the average New Hampshire house, my plan means tax breaks worth six months of mortgage payments. // For families all over this state -- that's an American Dream come true. //

And what's good for the families who want to buy that first home is good for the people who build them. //

Nationwide, housing economists predict my plan will create a boom in home-building. In this state alone, my plan will generate 1000 new housing starts -- pump 120 million dollars into the state economy. Best of all, it will put more than 2000 New Hampshire construction workers back on the job. //

My plan will also help the pioneering high-tech firms that call New Hampshire home. / Pass my plan -- and give companies an Investment Tax Allowance: help growing firms accelerate investment. Make the R&E tax credit a permanent part of the federal tax code. Pass my plan -- get investment flowing again: cut the capital gains rate to 15 percent. //

Pass my plan -- and give American companies a competitive edge. No games -- no gimmicks. Just a plan that works. Pass my plan -- and get New Hampshire moving again. //

That's my short-term action plan. For the long-term, we've got work to do as well -- steps we can take right now to guarantee progress and prosperity into the next American Century.

We get there by investing in the technologies of tomorrow, with federal support of R&D at record levels. We need to share the results, get the great ideas generated by public funds out

into the private sector -- off the drawing board and onto store shelves. Our National Technology Initiative will do just that -- and right now, at M.I.T., the first regional meeting is underway. //

We get to the future by letting the states do what they do best. Far too often, states have their hands tied by Washington. The federal government passes a mandate -- and they pass you the buck. You get stuck raising taxes. New Hampshire's Constitution prevents this body from burdening communities with unfunded mandates. If it's good enough for New Hampshire -- why not the rest of the country? //

Look at the problems that plague us today: crime, drugs -- the erosion of moral values. Trace each one to its root causes, and you'll see one common factor: the decline of the family.

This country must reaffirm a simple truth: When the family comes first, America is first. //

We get to the future by strengthening the family. Look at our approach to child care: Our opponents backed a scheme that would have created a strange new child care bureaucracy. We preserved choice -- and put parents first. My plan puts the family first -- provides an extra $500 dollar exemption for every child. And just last week I announced my comprehensive health care reform: reforms that will keep costs down -- and open up access to affordable health care for all Americans: providing new coverage to almost 30 million uninsured Americans. / And we'll do it through choice -- not central control. We've got the best

quality health care in the world. The last thing the American people want is a system that puts the government between you and your doctor. //

Every parent knows: our children are our future. That's why our health plan focuses on children -- increasing support for immunization, the early prevention that gives each kid a healthy start. That's why we back Head Start -- and it's the reason we're asking more of our schools. We must challenge ourselves to revolutionize -- literally re-invent -- American education. New Hampshire has joined the America 2000 revolution. Let common-sense be our guide -- and let common-sense begin by letting parents choose which school is best for their child. //

Finally, we meet America's destiny by expanding trade -- opening new markets for American goods. I'm proud of the progress we've made, working to open markets from Asia to Europe to the Americas. Just this week, I signed a new investment accord with the nations of Latin America. Last month, the agreement we reached with Japan will help computer companies right here in New Hampshire. That's a solid record in three years time -- a good start that we'll make even better.

But free trade has come under attack. The drumbeat mounts for a new isolationism -- this one, an economic retreat from reality.

The simple truth is, protectionism isn't a prescription for prosperity. Boil away all the tough talk, all the swagger and

the patriotic posturing, and protectionism amounts to nothing more than a smokescreen for a country running scared. //

That's not the America I know. The America I know is a country ready to take on the world -- ready to rise to new levels, not run for cover. Our national symbol isn't the ostrich -- it's the eagle. //

Never in this nation's long history has America turned its back on a challenge -- and **we won't start now**. //

A **proud** America will never be **protectionist**. //

And make no mistake: No state would be hurt more by economic isolationism than New Hampshire. Right now, New Hampshire businesses reap more than $1.2 billion dollars a year from exports -- across this state, that's 35,000 jobs tied directly to foreign trade. / And even in these hard times, New Hampshire's manufacturing exports increased 80% in the past five years alone. //

It's an economic fact of life: If we close our markets -- other countries will close theirs. When the walls go up, who gets hurt? / That's easy: you do. // I cannot -- and will not -- let that happen. //

*** We're going to compete -- not cut and run. Let the world know: America is in it to win. ///

I know the people of New Hampshire. You're ready for change -- ready to chart a new course not just for New Hampshire, but for this nation.

Two weeks ago, I urged the Congress to work with me -- to do the will of the American people. I laid out the action plan I've outlined here -- and, yes, I set a deadline to help move Congress along the way.

[[Today, back in Washington, the House Ways and Means Committee starts to work. But the leaders who control the committee don't intend to consider our action plan -- or even the comprehensive growth package we sent them last session. Word is, they'll pick and choose parts of my plan -- toss some out and keep what pleases them.

That's like letting the coach of the opposing team pick my starting line-up.

And if this is their way to sneak through a tax increase -- well, that's not the plan I had in mind. //]]

It must sound strange to the people in this chamber -- strange for you legislators who meet for only 45 days a year to hear Congress complain that 52 days is **just not enough time**.

They say: The deadline is arbitrary.

They say: The deadline is too early.

They say: The deadline is unfair. //

I say: **The deadline is March 20**. ///

By March 20th, I want to be able to report to the American people that the liberation of America's economy has begun. //

I ask the people in this chamber, I ask the good people of New Hampshire to give me your strong support. Send a message to

the Congress. Tell them America wants to lift itself up -- and move forward to its future. Tell them the time has come **to act**.

Today is a special day for me / for Barbara / for my family. I think back across the years to the lesson I learned long ago -- I look ahead in wonder to what can be: And I know: There is no higher honor than serving this great nation. //

Thank you, New Hampshire, for this warm welcome. And may God bless this land we share, the United States of America.

# # #

Substitute language after POTUS edits
6:30/7 pm 2/11/92

HANNS NOT IN -- SENTENCE PER TOM SCULLY [5178]

"AND OPEN ACCESS TO AFFORDABLE HEALTH INSURANCE [CARE] FOR ALL AMERICANS -- PROVIDING NEW COVERAGE FOR ALMOST 30 MILLION AMERICANS."

JB

"ALMOST 30 MILLION" LANGUAGE IS CONSISTENT WITH CLEVELAND HEALTH CARE SPEECH FROM JAN 31. 92. I DOUBLE CHECKED.

JB

LORINE

- LINE ITEM VETO - NO we would like one
- BALANCED BUDGET - YES

Jeanie - not a const. please give this requirement but NH tradition a quick read...

FACT CHECKED

McGroarty/Bunton
February 10, 1992
9:00 am
[NHleg]

PRESIDENTIAL REMARKS: NEW HAMPSHIRE STATE LEGISLATURE
CONCORD, NEW HAMPSHIRE
Wednesday, FEBRUARY 12, 1992
2:00 P.M.

Mr. President [Ed Dupont, Jr.], Mr. Speaker [Harold Burns], Governor Gregg. Ladies and gentlemen of the New Hampshire State Legislature: my thanks for that warm welcome.

Several weeks ago in Washington, I spoke in a chamber similar to this, to a group about this size.... Now, don't worry: that's where the comparison ends.

New Hampshire's legislature is the living legacy of Lincoln's words: by, of and for the people. / I look out at Senator Gordon Humphrey, come home to serve his state -- at all the remarkable men and women who balance the responbilities of work and home with this public trust.

Lorine said this is a great mention ✓

annual session $200/yr. + gas for biennium $100/year

[[What leads you to serve? / It can't be the salary: that's not enough to cover the cost of two Celtics tickets come playoff time.]] / Lorine that funny

What sustains this state is a tradition as old as America itself: A commitment to self-government that stretches from Concord to every village and town.

New Hampshire looks to government as a last resort -- not as the first answer to each and every problem. It doesn't see people's paychecks as potential revenue. Its rule is: limit government -- not freedom.

This body governs itself the way we as citizens want to be governed: by the rules of common sense and fair play.

On Tues. 2/11/92 Called Senate spoke w/ Donna @ 603-271-2111 Jean in Sen. Humphrey's office said yes. Has not heard anything contrary. She asked when we walked in door — he said yes!

Gov. Gregg's press office

Lorine Card:
~~1) public hearing~~ bill comes to legis.
1) goes to Committee who hears the bill / who holds hearing
2) Committee makes a recommendation
3) heard on floor by full body who votes - they can accept / deny / amend

Believe me, we don't see much of either back in Washington. {Well, we can do better....} They're too busy

Up here, you manage to avoid being enlightened by liberal economists. New Hampshire operates on the radical notion that a legislature should spend no more than it takes in. It's time for the federal government to follow your lead. //

New Hampshire legislators guarantee every bill a public hearing -- and every bill a full floor vote. It's time for the Congress to follow your lead. LORINE SAID THIS IS GOOD!

But I've got my own theory about why New Hampshire works. It's not just because the government here is representative -- it's because the government is Republican. //

12 years ago, this state helped sparked a new American revolution -- a revolution that marked the end of a weary era, and a new birth for freedom. Together, we made America proud. Together, we made America strong. Together, we made America respected in the eyes of all the world.

We fought great battles. We waged the Cold War -- and we won. // We drew a line in the sand -- and helped defend a small nation and a grand ideal. // We stood fast against imperial communism -- and we watched walls the world over come tumbling down. //

We did these things because we had the courage to lead.

And because we led -- America is free / America is safe / and America is at peace.

Yes, dangers remain -- dark corners of the world not yet blessed by freedom. No, our work in the world is not yet over. But the great struggles we've won, the great changes we've seen do more than open new worlds -- they open new opportunities for us at home.

But for us to move forward, for America to lead -- we've got to get our economy moving again. //

Last month, I spoke to the American people -- and spelled out my plan to pull this country out of recession and into recovery. / I know all of you have heard plenty about plans that promise the moon. Let me say to the citizens of New Hampshire: Judge my plan by its first principle: Government is too big -- and it spends too much. //

We put a stop order on all new federal regulation. I've begun a 90-day review, and I've set this goal: Whatever regulation promotes growth goes forward. Whatever stifles growth gets scrapped. //

We've declared war on frivolous lawsuits. If this country rewarded success as easily as we slap on a lawsuit, our economy would be well on its way.

We've worked to control spending. We will eliminate -- cut out altogether -- 246 federal programs. Somebody has got to say no -- and I'm the man to do it. //

I took these actions with the authority I have as President -- and then I challenged Congress to act. I set out a two-part strategy to ensure economic growth: an immediate action plan to

spark recovery -- and a long-term plan to guarantee progress and prosperity into the next American Century. //

The people of New Hampshire have a right to ask: we've been hit hard. What will this plan do for us?

First, my plan will bolster the real estate market. With its ripple effect for the rest of the economy, real estate can lead the way back to recovery.

My plan helps homebuyers. It provides a $5000 dollar tax credit to first time buyers: $2500 this year, $2500 the next. It lets them draw on their IRA accounts to make that purchase, penalty free. / Think of your neighbors -- of the people who need an extra room, a larger house for a growing family: Think of the couple just starting out, scrimping each month to lay aside the savings for that first down-payment. //

Now think of this: For the average New Hampshire family buying the average New Hampshire house, my plan means tax breaks worth six months of mortgage payments. // $109,000 / Gov's office math by Todd Buchholtz OPD

And what's good for the families who want to buy that first home is good for the people who build them. //

Nationwide, housing economists predict my plan will create a boom in home-building. In New Hampshire alone, my plan will generate 1000 new housing starts -- pump 120 million dollars into the state economy. Best of all, it will put more than 2000 contruction workers back on the job. //

My plan will also help the pioneering high-tech firms that call New Hampshire home. / Pass my plan -- and give companies

Todd Buchholtz OPD based on #s from Gov. Green's off. $109,000 house 10% mortgage

Kent Colton NAHB #'s

put over the threshold

an Investment Tax Allowance: help growing firms accelerate investment. Make the R&D tax credit a permanent part of the federal tax code. Pass my plan -- cut the capital gains rate to 15 percent. Who will that help? Any worker with a pension, every Mom and Pop enterprise -- any senior citizen ready to sell their home to finance their retirement.

Pass my plan -- and give American companies a competitive edge. Pass my plan -- and get New Hampshire moving again. //

That's my short-term prescription: No games -- no gimmicks. Just a plan that works. //

Look to the long-term, and we've got work to do as well -- steps we can take right now to guarantee progress and prosperity into the next American Century.

We get there by investing in the technologies of tomorrow, expanding R&D. My budget raises R&D to a record-level $76 billion. We need to share the results, get the great ideas generated by public funds out into the private sector -- off the drawing board and onto store shelves. Our National Technology Initiative will do just that -- and right now, in Boston, the first regional meeting is underway. //

We get to the future by letting the states do what they do best. Far too often, states have their hands tied by Washington. The federal government passes a mandate -- and then passes the buck. You get stuck raising taxes. No more: We've declared war on unfunded mandates.

We get to the future by strengthening the family. My plan provides an extra $500 dollar deduction for every child. {And just last week I announced my comprehensive health care reform -- a plan that will make health insurance to nearly 30 million Americans who -- for far too long -- have had to do without.} //

Look at the problems that plague us today: crime, drugs -- the erosion of moral values. Trace each one to its root causes, and you'll see one common factor: the decline of the family.

This country must reaffirm a simple truth: When the family comes first, America is first. //

Every parent knows: our children are our future. We must challenge ourselves to revolutionize -- literally re-invent -- America's schools. New Hampshire has joined the America 2000 revolution. Let common-sense be our guide -- and let common-sense begin by letting parents choose which school is best for their child. //

Finally, we meet America's destiny by expanding trade -- opening new markets for American goods. I'm proud of the progress we've made, working to open markets from Asia to Europe to the Americas. Just this week, I signed a new investment accord with the nations of Latin America. Last month, the agreement we reached with Japan will help computer companies right here in New Hampshire. That's a solid record in three years time -- a good start that we'll make even better.

But free trade has come under attack. The drumbeat mounts for a new isolationism -- this one, an economic retreat from reality.

The simple truth is, protectionism isn't a prescription for prosperity. Boil away all the tough talk, all the swagger and the patriotic posturing, and protectionism amounts to nothing more than a smokescreen for a country running scared. //

That's not the America I know. The America I know is a country ready to take on the world -- ready to rise to new levels, not run for cover. / We've got to open up new markets to American products -- not lock the doors, pull down the shades and tell the world to go away.

You see: I agree with Ronald Reagan. I believe America is a shining city on a hill -- not a country cowering behind high the neighborhood fence. Think of the generations who came to New Hampshire to work and found a welcome. I believe America must always be a safe haven for people seeking freedom -- not a land marked off by a thousand-mile trench and a "No Trespassing" sign. //

Never in this nation's long history has America turned its back on a challenge -- and **we won't start now**. // A **proud** America will never be **protectionist**. //

And make no mistake: No state would be hurt more by economic isolationism than New Hampshire. Right now, New Hampshire businesses reap more than $1.2 billion dollars a year from exports -- across this state, that's 25,000 jobs tied

Bob Bork USTR
#3
last year
45,000 according to USTR
BOB BORK

directly to foreign trade. And even in these hard times, your exports increased 70% in the past three years alone. Of all the 50 states, New Hampshire is only one that runs a positive balance of trade.

It's an economic fact of life: If we close our markets, other countries will close theirs. When the walls go up, who gets hurt? New Hampshire first. //

Well, this President won't let that happen. //

We're going to compete -- not cut and run. Let the world know: America is in it to win. ///

I believe the good people of this state -- like citizens all across this country -- are ready to move ahead, to move forward to meet a new American destiny. Everyone sees the time has come for change -- everyone feels the excitement, everyone is impatient to begin. //

Everyone, that is -- except the Congress. //

Two weeks ago, I urged the Congress to work with me -- to do the will of the American people. I laid out the action plan I've outlined here -- and, yes, I set a deadline to help move Congress along the way.

It must sound strange to the people in this chamber -- strange for legislators who meet for only 45 days a year to hear Congress complain that 52 days is **just not enough time**.

They say: The deadline is arbitrary.

They say: The deadline is too early.

They say: The deadline is unfair. //

I say: **The deadline is March 20**. ///

I challenge the Congress: Don't bury my plan in some sub-committee / don't declare it D.O.A. / don't resort to parliamentary tricks and Roberts Rules of Order to make my plan vanish without a trace. // So I say to the leaders who control the Congress: Discuss, / debate -- disagree if you want to -- but bring my plan to the floor, and put my plan to a vote.

I ask the people in this chamber, I ask the good people of this state to give me your strong support. Send a message to the Congress. Tell them America wants to meet its future. Tell them the time has come to act. //

Today is a special day for me / for Barbara / for my family. I think back across the years to the lesson I learned long ago -- I look ahead in wonder to what can be: And I know: There is no higher honor than serving this great nation. //

Thank you, New Hampshire, for this warm welcome. And may God bless this land we share, the United States of America.

# # #

TREASURY NEWS
Department of the Treasury Washington, D.C. Telephone 566-2041

EMBARGOED UNTIL 9 PM (EST)
January 28, 1992

President Bush's Plan to Stimulate Economic Recovery, Promote Long-Term Growth, and Expand Opportunity

The President's plan will stimulate economic recovery and job-creating investment; open up opportunity for home ownership and real estate recovery; and help families build for the future. It accomplishes these goals with the following initiatives:

Proposal	page
o Cut Capital Gains Tax Rate	2
o Investment Tax Allowance (ITA)	9
o Simplify and Enhance Alternative Minimum Tax (AMT) Depreciation	10
o Targeted Jobs Tax Credit	11
o Establish Enterprise Zones	12
o Raise Tax-Free Mass Transit Benefits	14
o Repeal Tax on Purchases of Certain Boats and Airplanes	15
o Permanent Research and Experimentation Tax Credit	16
o Passive Loss Rules for Active Real Estate Developers	18
o Facilitate Greater Pension Fund Investment in Real Estate	20
o Help First-time Homebuyers	21
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o Family Tax Allowance	25
o Flexible Individual Retirement Accounts (FIRA's)	26
o Permit Deduction of Interest on Student Loans	27
o Extend Unemployment Benefits	28
o Deduction for Special-Needs Adoptions	29
o Small Issue Bonds for First-Time Farmers	30

PERMANENT RESEARCH AND EXPERIMENTATION TAX CREDIT

The President proposes to make permanent the 20 percent tax credit for a certain portion of a taxpayer's "qualified research expenses," a credit which would otherwise expire December 31, 1992. In general, qualified expenditures consist of (1) "in-house" expenditures for wages and supplies used in research; (2) 65 percent of amounts paid by the taxpayer for contract research conducted on the taxpayer's behalf; and (3) certain time-sharing costs for computers used in research. Current law also provides a separate 20 percent tax credit ("the university basic research credit") for corporate funding of basic research through grants to universities and other qualified organizations.

The proposal would help to generate new jobs.

-- Private investment in R&D leads to technological innovations that create new companies that hire more Americans.

-- Personal computers, compact discs, biological engineering, and holography are each examples of technologies that in recent years have spawned enormous industries and directly generated tens of thousands of jobs.

The proposal would enhance America's international competitiveness.

-- America's long-term position internationally depends upon a strong R&D base.

-- Total real industrial R&D expenditures increased significantly from the early 1960s to the mid-1980s, but the rate of growth has levelled off in recent years. The growth of industrial R&D spending dropped from a 7 percent average rate between 1980-1985 to 2 percent between 1985-1990.

-- A permanent R&E tax credit would increase corporate R&D spending in the 1990s by about 4 percent, according to studies by Bailey and Lawrence. Making the credit permanent would help reverse the recent trend toward leveling off of corporate R&D spending and enhance the nation's ability to compete in the international environment.

BUSH 92 QUAYLE

92 FEB 11 P3:48

Date: 2/11/92 Time: 3:45PM

To: Dan McGroarty

FAX Number:

Telephone Number:

Comments:

From: JIM PINKERTON

FAX Number: 202-336-7116

Telephone Number: 202-336-7180

Number of Pages Including Cover Sheet 5

Foreign investment in NH

The Wexler Group
Hill and Knowlton
Public Affairs Worldwide Co.
1317 F Street, N.W.
Suite 600
Washington, D.C. 20004
202-638-2121
202-638-7045 Telecopy

FAX COVER SHEET

NAME: Jim Pinkerton fx 336-7117

COMPANY NAME: Bush/Quayle '92

FROM: Kathleen Shanahan

PAGES: 4
(INCLUDING COVER)

DATE: 2/11/92

ANY PROBLEMS PLEASE CONTACT:

MESSAGE:
Thought the attached information could be helpful.

CONFIDENTIALITY NOTE:

The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity named below. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this telecopy is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone and return the original message to us at the address above via the United States Postal Service. Thank you.

MEMORANDUM FOR KATHLEEN SHANAHAN

FROM: Michael Kontos

DATE: February 7, 1992

RE: NH Foreign Investment

I have compiled a few statistics showing the employment effect of foreign investment in New Hampshire. If you find this research helpful, please pass it along.

Summary

Foreign-owned firms employ about 5 percent of New Hampshire's workforce, or 25,600 people. The largest employers in the manufacturing sectors are Great Britain, Canada, and Germany. Japan ranked fourth in 1989.

New Hampshire also benefits from free trade in goods. It is the only New England state enjoying a trade surplus, having exported $1.2 billion worth of goods in 1990. Its largest markets were Canada ($325 million), Germany ($116 million), Great Britain ($108 million), and Japan ($98 million).

Foreign Investment and Jobs

Having worked with international trade issues for the last few years, I find the recent anti-foreign investment rhetoric circulating around this year's New Hampshire primary contest to be troubling. Foreign investment is such an emotional issue, people are easily swayed by charismatic messages and forget the real, true-life benefits of free trade, not to mention that foreign investment is a sign of an economy's attractiveness.

New Hampshirites, who are undergoing tough financial times, must be reminded of a simple message: foreign investment has kept many a Granite State operation afloat and paying local taxes and has provided many of their neighbors -- if not themselves -- with a weekly paycheck.

For the most part, these foreign companies, once acclimated to their new and unfamiliar surroundings, also have acted as good corporate citizens by contributing funds and staff to charities and community projects.

Getting back to the main point, foreign investment has meant jobs for New Hampshire. According to the Bureau of Economic Analysis's latest numbers (prelim. 1989), 25,600 New Hampshirites were employed by U.S. affiliates of foreign investors. (This ranks NH 35th.) 11,600 of these jobs were in manufacturing.

According to a December 1991 *N.H. Business Review* table, the 20 overall largest foreign firms operating in NH alone employ 12,712 people. Of these 20 companies, 6 are British, 3 Canadian, 2 French, 2 Irish, 2 German, 1 Japanese, 1 Dutch Antillian, 1 Netherlandian, 1 South African, and 1 German/Japanese joint-venture.

And the foreign presence has meant a significant capital investment, as well. The approximately 370 affiliates, who are at least ten percent foreign-owned, held a gross amount of $1.144 billion worth of property and plant equipment. $289 million of that total property was commercial, placing NH 37th.

As usual, most of the anti-foreign investment sentiment is targeted against Japan. Granted, Japan's investment has increased the most steeply of all countries' in recent years, but it is not the largest investor; people continue to confuse the two statistics. The largest investor in New Hampshire, and in the United States for that matter, remains Great Britain.

In fact, according to the NH Office of Industrial Development, of the 11,869 New Hampshirites employed by foreign-owned companies in 1989:

- 3,150 were employed by British companies;
- 2,512 German;
- 1,709 Canadian;
- 1,517 Japanese;
- 800 Irish;
- 640 Dutch Antillian;
- 499 French;
- 255 Swiss;
- 250 Dutch;
- 220 Liechtenstinian;
- 217 Swedish;
- 36 Israeli;
- 20 Australian;
- 15 Italian;
- 12 Belgian;
- 12 Lebanese; and
- 5 by a Danish company.

Finally, there are many examples where foreign investment has either reinvigorated communities or has prevented catastrophes from happening. Below are two examples:

- **Hawthorne College** -- The town of Antrim was devastated by the loss of Hawthorne College, which was forced to close its doors several years ago due to financial troubles. Antrim, with little other industry, was dealt a severe blow as the college had provided a good number of jobs and consumers.

  Almost a year ago, Maruzen Kensetsu Co., breathing new life into Antrim, bought the bankrupt college. The Japanese construction company already has given Antrim an immediate shot in the arm by paying the $715,000 Hawthorne owed in back taxes and the $300,000 of current taxes. Antrim's long-term outlooks is brighter as well, since the school anticipates enrolling around 400 students a year.

- **First New Hampshire Bank** -- Last Fall, when banks around New Hampshire were being reorganized under Federal orders, First New Hampshire Bank not only stayed afloat but emerged as the state's largest NH-based bank. The reason: its parent, the Bank of Ireland, infused the bank's coffers with $670 million. Today, because of the Bank of Ireland's continued dedication to the New England financial market, the First NH Bank remains one of the state's strongest.

If you have any questions, please do not hesitate to call me.

PINK's comments....

McGroarty/Bunton
February 11, 1992
12:00 noon

PRESIDENTIAL REMARKS: NEW HAMPSHIRE STATE LEGISLATURE
FEBRUARY 12, 1992
2:00 P.M.

Mr. President [Ed Dupont, Jr.], Mr. Speaker [Harold Burns], members of the Executive Council, Governor Gregg. Ladies and gentlemen of the New Hampshire State Legislature: my thanks for that warm welcome.

[[I decided to come here today because I figured it's been awhile since the people of New Hampshire have heard a political speech.]]

[[Several weeks ago in Washington, I spoke in a chamber similar to this, to a group about this size.... Now, don't worry: that's where the comparison ends.]]

New Hampshire's legislature is the living legacy of Lincoln's words: of, by and for the people. / I see Senator Gordon Humphrey come home to serve his state. I see all the remarkable men and women who balance the responsibilities of work and home with this public trust.

check this

603-271-2111 DOREEN

[[What leads you to serve? / It can't be the salary: that's not enough to cover the cost of two Celtics tickets come playoff time.]] What sustains this state is a tradition as old as America itself: A commitment to self-government that stretches from Pittsburg to Pelham, from Claremont to Conway to every corner of this state.

New Hampshire looks to government as a last resort -- not as the first answer to each and every problem. It doesn't see

people's paychecks as potential revenue. Its rule is right: limit government -- not freedom.

This body governs itself the way we as citizens want to be governed: by the rules of common sense and fair play.

Up here, you manage to avoid being enlightened by liberal economists. New Hampshire operates on the radical notion that a legislature should spend no more than it takes in. It's time for the federal government to follow your lead. //

New Hampshire legislators guarantee every bill a public hearing -- and every bill a vote. It's time for the Congress to follow your lead. //

P. → ~~12 years ago,~~ This state helped spark a new American revolution -- a revolution that marked the end of a weary era, and a new birth for freedom. Together, we made America proud. Together, we made America strong. Together, we made America respected in the eyes of all the world.

We fought great battles. // We stood fast against imperial communism -- and we watched walls the world over come tumbling down. // For 45 years, we (waged the long twilight struggle / fought in the trenches) of the Cold War -- and we won. //

P.

And let me tip my hat to every man and woman who ever served -- and to the American taxpayer -- because communism didn't just fall. It was pushed. //

Finally, just one year ago, we drew a line in the sand -- and helped defend a small nation and a grand ideal. We put Saddam Hussein back in his box -- where he belongs. //

P. (There are those who didn't support us.

We had the courage to lead. And because we led -- America is free / America is safe / America is at peace.

Yes, dangers remain -- dark corners of the world not yet blessed by freedom. No, our work in the world is not yet over. But the great struggles we've won, the great changes we've seen do more than open new worlds -- they open new opportunities for us at home. And if we can change the world -- we can change America. //

But for us to move forward -- for us to lead the world -- we've got to get America's economy moving again. //

Last month, I spoke to the American people -- and spelled out my plan to pull this country out of recession and into recovery. / I know all of you have heard plenty about plans that promise the moon. Let me say to the citizens of New Hampshire: Judge my plan by its first principle: ~~Government~~ Get NH moving again. Government is too big -- and it spends too much. //

We put a "stop order" on new federal regulation. I've begun a 90-day review -- 90 days to take a hard look at regulations that hurt more than they help. The day of over-regulation is just that: over. //

We've declared war on frivolous lawsuits. If this country rewarded success as easily as we slap on a lawsuit, our economy would be well on its way. //

We've worked to control spending. I've called on Congress to eliminate -- cut out altogether -- 246 federal programs. Somebody has got to say no. // But we can make it easier: Give

me the tools -- and I will finish the job. Give me the line item veto. //

I took action with the authority I have as President -- and then I challenged Congress to act. I set out a two-part plan to ensure economic growth: an immediate action plan to spark recovery -- and a long-term plan for the future. //

The people of New Hampshire have a right to ask: we've been hit hard. What will this plan do for us? Fair question.

First, my plan will bolster the real estate market. With its ripple effect for the rest of the economy, real estate can lead the way back to recovery.

My plan helps New Hampshire homebuyers. It provides a $5000 dollar tax credit to first time buyers: $2500 this year, $2500 the next. It lets them draw on their IRA accounts to make that purchase, penalty free. / For the average New Hampshire family buying the average New Hampshire house, my plan means tax breaks worth six months of mortgage payments. // For families all over this state -- that's an American Dream come true. //

And what's good for the families who want to buy that first home is good for the people who build them. //

Nationwide, housing economists predict my plan will create a boom in home-building. In this state alone, my plan will generate 1000 new housing starts -- pump 120 million dollars into the state economy. Best of all, it will put more than 2000 New Hampshire construction workers back on the job. //

My plan will also help the pioneering high-tech firms that call New Hampshire home. / Pass my plan -- and give companies an Investment Tax Allowance: help growing firms accelerate investment. Make the R&E tax credit a permanent part of the federal tax code. Pass my plan -- get investment flowing again: cut the capital gains rate to 15 percent. //

Pass my plan -- and give American companies a competitive edge. No games -- no gimmicks. Just a plan that works. Pass my plan -- and get New Hampshire moving again. //

That's my short-term action plan. For the long-term, we've got work to do as well -- steps we can take right now to guarantee progress and prosperity into the next American Century.

We get there by investing in the technologies of tomorrow, with federal support of R&D at record levels. We need to share the results, get the great ideas generated by public funds out into the private sector -- off the drawing board and onto store shelves. Our National Technology Initiative will do just that -- and right now, at M.I.T., the first regional meeting is underway. //

We get to the future by letting the states do what they do best. Far too often, states have their hands tied by Washington. The federal government passes a mandate -- and they pass you the buck. You get stuck raising taxes. New Hampshire's Constitution prevents this body from burdening communities with unfunded mandates. If it's good enough for New Hampshire -- it should be good enough for Washington and the U.S. Congress. //

Look at the problems that plague us today: crime, drugs -- the erosion of moral values. Trace each one to its root causes, and you'll see one common factor: the decline of the family. This country must reaffirm a simple truth: When the family comes first, America is first. //

We get to the future by strengthening the family. My plan provides an extra $500 dollar exemption for every child. And just last week I announced my comprehensive health care reform: reforms that will keep costs down -- and open up access to 30 million uninsured Americans. / And we'll do it through choice -- not central control. The last thing the American people want is a system that lets the government play doctor. //

Every parent knows: our children are our future. That's why our health plan focuses on children -- increasing support for immunization, the early prevention that gives each kid a chance to grown up in good health {healthy start}. That's why we're asking more of our schools. We must challenge ourselves to revolutionize -- literally re-invent -- American education. New Hampshire has joined the America 2000 revolution. Let common-sense be our guide -- and let common-sense begin by letting parents choose which school is best for their child. //

Finally, we meet America's destiny by expanding trade -- opening new markets for American goods. I'm proud of the progress we've made, working to open markets from Asia to Europe to the Americas. Just this week, I signed a new investment accord with the nations of Latin America. Last month, the

agreement we reached with Japan will help computer companies right here in New Hampshire. That's a solid record in three years time -- a good start that we'll make even better.

But free trade has come under attack. The drumbeat mounts for a new isolationism -- this one, an economic retreat from reality.

The simple truth is, protectionism isn't a prescription for prosperity. Boil away all the tough talk, all the swagger and the patriotic posturing, and protectionism amounts to nothing more than a smokescreen for a country running scared. //

That's not the America I know. The America I know is a country ready to take on the world -- ready to rise to new levels, not run for cover. America isn't the kind of country that locks the doors, pulls down the shades and tells the world to go away. / Well, our national symbol isn't the ostrich -- it's the eagle. And it's going to stay that way. //

Never in this nation's long history has America turned its back on a challenge -- and we won't start now. //

A proud America will never be protectionist. //

And make no mistake: No state would be hurt more by economic isolationism than New Hampshire. Right now, New Hampshire businesses reap more than $3 billion dollars a year from exports -- across this state, that's 45,000 jobs tied directly to foreign trade. / And even in these hard times, New Hampshire's manufacturing exports increased 80% in the past five years alone. //

It's an economic fact of life: If we close our markets, other countries will close theirs. When the walls go up, who gets hurt? New Hampshire first. //

Well, **this** President won't let that happen. //

We're going to compete -- not cut and run. Let the world know: America is in it to win. ///

You see: I agree with Ronald Reagan. America is a shining city on a hill -- not a country fenced in by fear. Think of the generations who came to New Hampshire to work and found a welcome. America must never be a land marked off by a thousand-mile trench and a sign that says "No Trespassing." We want an America free from bigotry and hate. An America that sees beyond old fears and prejudices. //

I believe the good people of this state -- like citizens all across this country -- are ready to move ahead, to move forward to meet a new American destiny. Everyone sees the time has come for change -- everyone feels the excitement, everyone is impatient to begin. //

Everyone, that is -- except the Congress. //

Two weeks ago, I urged the Congress to work with me -- to do the will of the American people. I laid out the action plan I've outlined here -- and, yes, I set a deadline to help move Congress along the way.

x2230
Ellen in legis-
congressional
Monitor
confirmed
w/ committee

Today, back in Washington, the House Ways and Means Committee starts to work. But the Democrats who control the committee don't intend to consider our action plan -- or even the

comprehensive growth package we sent them last session. Word is, they'll pick and choose parts of my plan -- toss some out and keep what pleases them.

That's like letting the coach of the opposing team pick my starting line-up.

And if this is their way to sneak through a tax increase -- well, that's not the plan I had in mind. //

It must sound strange to the people in this chamber -- strange for legislators who meet for only 45 days a year to hear Congress complain that 52 days is just not enough time.

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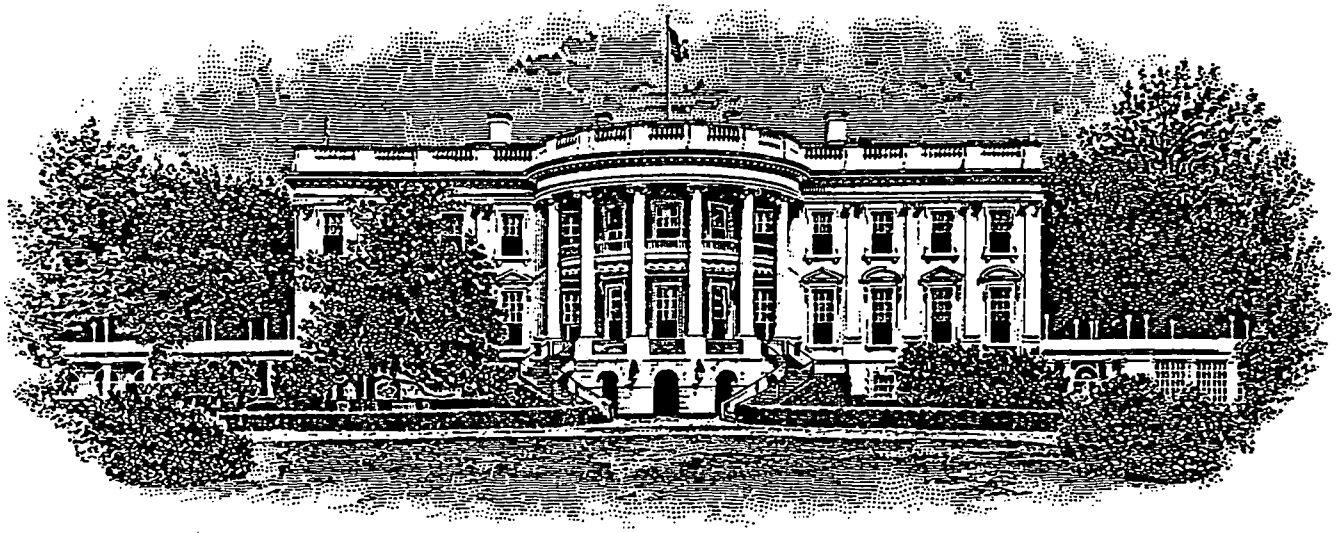
I say: The deadline is March 20. ///

By March 20th, I want to be able to report to the American people that the liberation of America's economy has begun. //

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Thank you, New Hampshire, for this warm welcome. And may God bless this land we share, the United States of America.



FACSIMILE TRANSMITTAL SHEET

NUMBER OF PAGES INCLUDING COVER 6

DATE 2/11

TO JIM PINKERTON

FAX NUMBER

COMMENTS

FROM McG.

* DEPARTMENT OF COMMUNICATIONS *

OFFICE NUMBER 456 2773

PINK -

Here are:

2 pages re N.H. trade stats.

Also,

pp. 8 + 9 of speech, with DARMAN/CAMP INSERT, AS MARKED.

Thanks.

D. McA.

FACSIMILE COVER SHEET

OFFICE OF THE UNITED STATES TRADE REPRESENTATIV

Executive Office of the President
Washington, D.C. 20506

—Clearance (to Geneva) _____ Section # _____

Time Sent _____ Date 2/10/92

_____ C.D. Log Number _____

Number of Pages Excluding Cover 14

TO: NAME:	AGENCY:	PHONE #:	FAX #:
Jeannie Burton		( )x7750	( )x6218
		( )	( )
		( )	( )
		( )	( )
		( )	( )
		( )	( )

FROM: Bob Bone

PHONE: x6120

FAX #: (202)395-[redacted]7226

CONTACT: If There are any problems please call: (202)395-3419

SUBJECT: New Hampshire #5

Louisa Koch @ Commerce 3944 5 pgs. signed off

NEW HAMPSHIRE EXPORTS

- New Hampshire's manufacturing exports grew an estimated 79.2 percent from $1.7 billion in 1986 to $3.0 billion in 1990.[1]

- In 1986, exports accounted for 17.6 percent of total manufactured output. New Hampshire ranked as the 6th most dependent state on manufactured exports.

- In 1986, 26,000 jobs in New Hampshire were dependent on New Hampshire's export of manufactured products.

  -- 15,500 of these were manufacturing jobs, accounting for 15.2 percent of New Hampshire's total manufacturing employment. Nation-wide, 12.6 percent of manufactured jobs were export dependent in 1986. New Hampshire ranked 7th nation-wide in terms of the dependency of manufacturing jobs on exports.

  -- 10,500 of these jobs related to manufactured exports were in non-manufacturing sectors (including transportation, communication, trade and services).

- On the basis of 1986 data, and subsequent U.S. export growth, it is estimated (by USTR) that upward to 45,000 jobs in New Hampshire were related to New Hampshire's manufactured exports in 1990.

- The Department of Agriculture reports no agricultural exports for New Hampshire.

- No data are available on state exports of services. The United States, however, is estimated to have exported close to $145 billion in commercial services in 1991. The service sector accounted for 61 percent of New Hampshire's gross state product in 1989.

---

[1]The State of New Hampshire reports the value of state exports to be $1.2 billion in 1990. These data rely on shippers' statements made at the port of departure from the United States. These data are of limited reliability in describing the state of origin of exports. Because of misreporting, these data tend to overstate the value of exports for states with major ports and understate the exports for states shipping exports through third states.

The estimate of $3 billion dollars for New Hampshire exports is based on the Census Bureau's Survey of U.S. Manufactures, which is more reliable than port data for the state origin of exports. Census data for 1986 was extrapolated to 1990 by increasing each product sector of New Hampshire's exports by the percentage change in the U.S. exports in the same product sector.

It's an economic fact of life: If we close our markets, other countries will close theirs. When the walls go up, who gets hurt? New Hampshire first. //

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Thank you, New Hampshire, for this warm welcome. And may God bless this land we share, the United States of America.

THE WHITE HOUSE

WASHINGTON

11 February 1992

MEMORANDUM FOR DAVE DEMAREST

THROUGH: DAN MC GROARTY

FROM: JEANNIE BUNTON

SUBJECT: NEW HAMPSHIRE LEGISLATURE SPEECH FACTS

The following sources were consulted for New Hampshire specific facts:

N.H. TAX CREDIT IMPACTS ON HOUSING STARTS/JOBS/ACTIVITY:

provided by Kent Colton, Exec. VP and CEO
National Association of Homebuilders [NAHB]
202-822-0401

compiled by Dave Crow, NAHB Economist
202-822-0383

N.H. MANUFACTURING EXPORTS/EXPORT RELATED JOBS:

provided by Bob Bork, USTR Speechwriter
202-395-6120

compiled by David Walters, Chief Economist USTR
202-395-3583

6 MONTHS of MORTGAGE PAYMENTS" - first time homebuyer credit:

compiled by Todd Buchholz, OPD
202-456-7968

Methodology: avg. New Hampshire home $109,048 [figure from Martha Austin in Gov. Gregg's office 603-271-2121]. Todd rounded down to $100,000, 10% mortgage for payments of $800 per month, which translates into over 6 months of mortgage payments with the first-time homebuyer credit [$5,000].

11 February 1992

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FROM: JEANNIE BUNTON

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