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Young President's Organization 4/21/92 [OA 7572]

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Trade Gap Narrowest In 9 Years

U.S. Exports Rose 7 Pct. in February

D | Reuter

The trade deficit hit its lowest level in nearly nine years in February, the government said yesterday, as U.S. exports steamed ahead despite a global economic slump.

The Commerce Department said the trade deficit shrank by 43 percent in February to \$3.38 billion. Exports surged 7 percent to a record \$37.81 billion while imports fell slightly to \$41.2 billion.

The trade picture was far better than Wall Street analysts expected and was particularly heartening given the struggling economies in Canada, Japan and much of Europe.

"The basic message is that we remain competitive, and despite the slowdown in some foreign markets our exports are sustaining themselves and seem to have a slight upward bias," said Robert Dederick, an economist with Northern Trust Co. in Chicago.

Along with a report that new claims for jobless benefits fell to the lowest level in six months, the trade figures were consistent with a picture of a slowly expanding economy, analysts said.

Exports have been one of the strongest sectors of the economy, supporting manufacturing when many other industries have been gripped by recession.

"The subdued recovery scenario persists," Dederick said. But he added that it now appears growth in the first three months of 1992 was stronger than previously thought.

The Labor Department said the number of people filing first-time claims for jobless benefits fell 18,000 in early April to 415,000.

"Today's report indicates that business activity is strengthening and layoffs are on the decline," said Labor Secretary Lynn Martin.

Dederick said the slowdown in unemployment claims signals brighter job prospects ahead that will be vital to sustain a recovery.

The unemployment rate was 7.3 percent in both February and March and only 19,000 jobs were created last month.

In the first two months of 1992, the trade deficit has shrunk 27.5 percent from its level in the same period last year, said economist Marilyn Schaja of Donaldson, Lufkin and Jenrette Securities Corp. in New York. But she said the improvement is unlikely to continue "due to the lackluster economic growth prospects of our major trading partners."

Japan and Germany especially are experiencing slowdowns in their domestic economies that likely will make them weaker markets for U.S.-made products.

Yet the February deficit with Japan—source of many of the consumer electronic and automotive products sought in U.S. markets—fell to \$2.97 billion from \$3.82 billion in January. That was the lowest since a \$2.43 billion deficit in May 1991.

The surplus in trade with Western Europe rose to \$2.63 billion from \$1.69 billion in January, a level unlikely to be sustained if Germany, the powerhouse of the European economy, keeps weakening.

The actual \$3.38 billion shortfall between exports and imports was the smallest since a \$2.84 billion deficit in March 1983.

A big part of February's brighter picture came from a \$900 million pickup in overseas sales of U.S.-built civilian aircraft and parts. But even discounting the sharp gains in airplane sales, economists said the increase was impressive and broad-based.

THE WASHINGTON POST

... R
FRIDAY, APRIL 17, 1992

THE WALL STREET JOURNAL FRIDAY, APRIL 17, 1992

U.S. Trade Gap Cut in February To \$3.38 Billion

ECONOMY

By JONATHAN WEIL

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The U.S. posted its smallest trade deficit in nine years in February as a surge in aircraft sales helped pull exports out of their three-month slump.

The February trade gap shrank to \$3.38 billion from \$5.95 billion in January, the Commerce Department said. Exports climbed 6.8% in February to \$37.81 billion, their first increase since October. More than half the rise was accounted for by a 9.4% increase in exports of non-automotive capital goods, principally civilian aircraft. Auto exports also rose sharply. Imports were down 0.4% to \$41.20 billion.

For the first two months of 1992, exports were 8.1% greater than a year earlier. But economists figure the strong performance

won't be sustainable until the economies improve among U.S. trading partners, notably Western Europe and Japan.

"We can expect continued strong export performance once our major trading partners emerge from their current economic doldrums," said Barry Rogstad, president of American Business Conference, a group of 100 fast-growing mid-sized companies.

Import levels are expected to rise, however, as the U.S. recovery progresses.

Civilian aircraft exports grew 30.3% in February, and auto exports climbed 12.8%. Both industries typically are volatile, however, suggesting a shaky base for the export growth.

"No one in their wildest imagination thinks that auto exports will be able to sustain" such an increase, said Lyle Gramley, chief economist for Mortgage Bankers Association. Aircraft and autos "are very large items. They're lumpy and tend to go up one month and down the next."

Food exports shot up 17.8% in February, as seafood shipments more than doubled. Exports of industrial supplies were down 4.3%, however, as fuel oil exports tumbled.

Meanwhile, imports of food, industrial supplies and autos all registered significant declines. Imports of both capital and consumer goods increased. Crude oil imports were slashed 13.7% in February, while auto imports fell 4.1%. But the U.S. continues importing semiconductors and computers, with imports climbing by 6.9% and 8.9%, respectively.

All figures are adjusted for seasonal fluctuations.

Regional Trade Balances

U.S. merchandise trade balances by region; in billions of U.S. dollars, not seasonally adjusted

	FEB. '92	JAN. '92	FEB. '91
Japan	-\$2.97	-\$3.82	-\$3.16
Canada	- 0.69	- 0.26	- 0.51
Western Europe	2.63	1.69	- 0.29
NICs*	- 0.63	- 1.31	- 0.56

*Newly industrialized countries: Singapore, Hong Kong, Taiwan, South Korea.

Source: Commerce Department

home, we must succeed economically abroad. The evidence is indisputable: open markets and free trade mean jobs for American workers and growth for American companies. Over the past four decades, trade-related jobs in our country have grown three times faster than overall American job growth.

We must build on this astounding success. Already, over the past six years, our exports to Mexico have ^{almost tripled} doubled, creating more than ³⁰⁰ 260,000 jobs here at home. We want to lock in those gains with a North American Free Trade Agreement -- NAFTA. With Canada and Mexico, NAFTA will establish one of the world's largest trading areas, a \$6 trillion market from the Yukon to the Yucatan. That will mean hundreds of thousands new jobs here at home.

And tomorrow I will meet with Jacques Delors, president of the EC Commission, and Prime Minister Cavaco Silva, president of the European Council, to discuss the Uruguay round of GATT, the world trade negotiations. Over the next decade, a successful conclusion of the Uruguay round will ^{could} pump \$5 trillion into the global economy. The U.S. share of this growth will ^{could} top \$1 trillion. No one should doubt my resolve ^{to} on preserving the ^{+ expand} worldwide regime of open trade. GATT must be preserved, for this reason: American workers and companies deserve the jobs and opportunities these open markets offer.

I know that there's still much we can do to make America even more competitive. One of our serious economic problems right now is the cost of capital. It's too high. That's why I

To Andy
Date 4-17 Time 9:30am

WHILE YOU WERE OUT

M _____

of _____

Phone _____

Area Code Number Extension

TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message From Ray
Johns - Office
of Nail Service.

Operator



23-021 CARBONLESS

EXHIBIT I

THE YPO VISION

YPO is committed to the development of "Better Presidents Through Education and Idea Exchange" by providing a challenging environment¹ which promotes the exchange of ideas and shared experiences, facilitates the acquisition of knowledge², the development of wisdom³ and inspires and stimulates continual improvement of the individual.

YPO fosters continual improvement of members' business enterprises, in their personal and family lives and in their community responsibilities⁴.

YPO prepares members to lead and manage change in a multi-value⁵, multi-cultural global environment, while integrating the strengths and traditions of the past with the challenges and opportunities of the future.

YPO actively supports those principles that will further the development of individual economic incentive⁶ and freedom of individual action⁷.

FOOTNOTES

- ¹ "Environment" is any interaction between two or more YPOers.
- ² "Knowledge" is learning, knowing something through experience and association.
- ³ "Wisdom" comes from experience and the accumulation of knowledge.
- ⁴ YPO gives its members the skills and knowledge which members can then use to carry out civic responsibilities.
- ⁵ All humans are a composite of value systems. Similarly, organizations, countries and regions also have a wide spectrum of value-systems. YPO must embrace and bridge these value systems.
- ⁶ Historically, YPO has supported free enterprise to the extent that free enterprise – or any other economic system – stimulates and encourages economic growth and development through the individual rather than the State or other economic or political entity.
- ⁷ The individual is paramount in YPO. YPO promotes freedom of individual action. YPO does not promote collective action by YPO as an organization.

EXHIBIT II**YPO Purpose: Better Presidents Through Education and Idea Exchange****1. The YPO Experience**

YPO fosters a unique, individual personal experience of voluntary interaction with active Presidents who have a commonality of interests.

2. Access

YPO has the responsibility to provide access to qualified Presidents worldwide, and to encourage their participation while allowing the existing members of YPO to control the quality of their YPO experience.

3. The YPO Structure

YPO is a member-run organization that will govern itself on a representative basis according to its Bylaws. All members must affiliate with an active Chapter within two years of the date of membership.

4. YPO Programs, Products and Services

The Organization has the responsibility to provide its membership with quality control, training and assistance in the development and execution of their programs, products and services.

5. YPO Communication

YPO must develop and maintain the most effective two-way communication between its leadership and membership. This will be used for interchange of information on past, present and future programs, products, services and issues. This is essential to YPO's continued success.

6. Public Relations

YPO has to be sensitive to its growing role within the world and must develop a positive profile to meet this change.

7. YPO and Commercialism

YPO must not allow members or member companies to be exposed to solicitation through the use of the confidential membership rosters.

8. Government Relations

YPO will endeavor to provide for access to governments for the benefit of YPO and its individual members. However, YPO as an Organization should not take political positions on any issue.

9. YPO and the Family

To further the YPO experience for the YPO member, YPO encourages and supports programs that provide education and idea exchange to YPO families.

10. YPO and Individual Action

YPO as an Organization does not espouse any causes or political beliefs other than its stated purpose. YPO does encourage its members to be active and to support with their own individual efforts and resources those causes and beliefs they believe to be worthy.

A COMMUNITY OF LIGHT: A THOUSAND POINTS OF LIGHT IN ONE COMMUNITY

The only real hope for transforming a community is a thousand small acts of service

ELEMENTS OF A COMMUNITY WHOLE AND GOOD:

EXAMPLES OF MEMBERS OF A COMMUNITY:

BUSINESSES

SCHOOLS

PLACES OF WORSHIP

CLUBS AND NEIGHBORHOOD GROUPS

PUBLIC SECTOR ORGANIZATIONS

FAMILIES AND INDIVIDUALS

Commitment to Children, Youth Developing Good Character and Values, and Strong Families

97,125,134,167,195,241,242,261,266,292,300,344,355,368,381,382,385,412,433,439,466,467,473,477,482,484,485,488,490,491,494,547

86,102,128,131,139,140,146,155,191,193,200,203,240,246,259,261,280,292,293,297,300,310,312,325,350,351,353,362,364,390,400,404,405,410,411,417,420,421,432,454,464,469,474,476,481,486,562,565,569,579,599

127,131,146,176,177,261,284,286,342,352,354,424,426,435,452,454,470,488,522,525,555

27,60,99,105,108,115,124,126,129,130,131,132,139,157,158,167,169,174,181,191,192,193,203,209,214,226,227,233,236,240,244,247,251,253,258,261,291,293,299,301,310,330,334,349,351,353,354,355,356,359,361,362,364,370,372,378,381,382,385,391,395,398,404,405,406,408,411,412,414,416,421,425,426,427,432,433,434,435,436,441,445,446,451,452,455,458,464,470,474,479,480,482,485,486,502,505,510,512,513,518,519,523,525,527,528,530,535,536,537,543,549,553,557,559,561,566,573,574,579,585,587

124,128,134,191,233,241,242,250,261,269,304,334,340,344,400,414,437,466,482,485,488,490,491,531,579

90,93,94,98,124,126,128,132,140,145,155,165,180,182,195,196,200,202,203,216,241,261,266,269,297,304,313,325,340,350,355,356,358,365,368,380,387,388,396,397,401,408,410,411,412,441,442,446,451,455,456,462,472,475,477,482,484,494,497,500,506,508,509,515,524,531,542,547,550,567,569,586,587,589,591,599,600

Excellent Schools and a Culture that Fosters Lifelong Learning

1,12,18,28,57,97,112,116,125,134,167,168,172,195,219,225,241,242,266,271,292,300,311,326,329,344,355,368,381,382,385,412,415,428,433,439,447,450,466,467,471,473,477,482,484,484,485,488,490,491,493,494,495,507,524,567

37,77,88,102,117,139,140,146,165,168,172,178,183,191,193,200,219,232,240,246,259,262,265,270,274,278,280,292,293,297,298,300,302,303,311,312,319,321,326,329,350,351,352,362,364,384,390,400,404,405,409,410,411,417,420,421,432,454,464,467,469,474,476,481,486,556,558,562,564,565,578,579,599

127,141,146,161,175,176,177,211,284,286,319,324,329,342,348,352,354,367,377,394,423,424,426,435,452,454,470,488,548,555

5,33,39,40,66,68,99,108,115,126,129,130,132,139,156,157,158,161,167,172,174,181,191,192,193,209,211,214,224,226,227,233,247,253,256,258,270,273,277,290,291,293,299,301,305,323,324,329,334,337,344,351,352,354,355,356,359,360,361,362,363,364,372,373,374,375,376,377,378,379,381,382,383,385,386,391,395,398,402,404,405,407,407,408,409,411,412,414,415,416,418,419,421,425,426,427,429,430,431,432,433,434,435,436,440,441,445,446,447,451,452,455,458,464,470,474,480,482,485,486,495,512,517,519,529,530,535,543,544,545,552,557,559,563,566,579,585,587

8,96,134,168,178,191,219,233,241,242,250,298,323,329,334,344,373,384,400,403,409,414,431,437,466,482,485,488,490,491,493,579,580,596

9,17,20,22,54,57,75,88,89,94,95,96,98,103,109,110,126,132,137,140,147,165,170,175,182,183,195,196,199,200,218,219,222,225,228,229,232,234,241,250,255,262,263,265,266,271,272,274,285,286,287,302,311,321,322,326,350,355,356,358,368,371,377,380,387,388,389,392,396,397,399,401,408,410,411,412,413,419,423,429,430,441,442,446,448,449,450,451,455,456,462,472,475,477,482,484,494,497,509,515,516,567,578,580,587,591,598,599,600

Meaningful Employment Opportunities and the Hope of Economic Advancement

125,134,185,227,241,275,292,300,324,347,355,381,385,428,447,450,460,473,477,482,488,489,493,494,505,540,554,572,598

52,146,292,300,384,409,558,564

42,104,127,141,146,177,179,211,276,284,286,296,324,342,348,352,354,377,424,488,489,522,541,548,555

108,126,129,130,142,156,157,181,205,211,212,236,275,276,277,279,290,291,296,299,324,337,345,354,355,363,366,373,374,377,379,381,385,386,402,406,409,431,436,447,460,463,468,480,482,505,516,540,545,563,587,598

96,134,241,269,373,384,409,431,482,488,489,493,499,580,596

44,47,63,74,94,96,100,126,137,180,185,215,241,269,286,347,355,371,377,389,399,450,475,477,482,494,499,521,580,587,598

A Decent, Drug Free and Safe Place to Live in a Clean Environment

3,125,171,194,241,260,261,296,307,332,338,355,368,415,422,439,450,460,461,466,467,473,477,482,484,485,488,489,490,491,493,507,524,540,554,581,584

34,59,119,121,128,139,144,146,150,165,191,194,220,261,274,294,310,351,352,364,404,405,410,411,417,420,421,454,465,467,469,474,481,486,556

62,104,127,144,146,163,176,177,179,194,211,261,284,286,294,296,324,342,348,422,424,435,452,454,488,489,522,541,548,555,574

10,11,13,21,24,25,49,53,56,65,67,69,73,76,78,81,85,92,107,115,119,123,124,129,138,139,148,150,157,158,160,169,171,181,186,189,191,194,201,205,209,211,212,217,226,227,236,238,244,256,260,261,264,306,310,318,324,330,334,337,338,351,352,355,359,364,369,391,395,398,404,405,406,408,411,414,415,419,421,422,427,434,435,436,440,441,445,446,452,455,458,460,463,465,468,474,480,482,485,486,501,503,505,513,516,518,530,540,545,549,552,553,561,585,587

7,96,124,128,171,186,191,194,201,238,241,250,261,269,289,309,334,403,414,466,482,485,488,489,490,491,493,580,596

6,16,26,32,36,45,64,72,82,91,96,98,100,103,106,118,120,122,124,128,144,165,180,184,194,204,221,241,250,261,269,274,288,294,307,332,355,358,368,380,392,408,410,411,419,441,446,448,450,455,456,461,462,472,475,477,482,484,497,521,542,571,580,581,584,587

Quality Health Care and a Sense of Well Being

15,125,134,136,173,239,257,260,261,271,275,288,316,338,368,381,385,428,443,444,450,453,459,460,461,471,482,483,484,485,487,488,489,490,495,524,528,531,532,533,538,540,547,551,554,560,567,568,572,581,584

48,58,102,113,114,117,128,131,139,140,146,155,164,191,261,268,278,280,317,319,325,346,350,351,352,362,364,390,404,417,444,464,465,474,476,481,556,562,565,590,592,597,599

46,104,127,131,141,146,163,175,176,177,179,210,211,235,261,276,284,286,319,335,342,348,352,354,367,394,423,426,435,470,488,489,525,541,594,597

30,31,35,38,61,71,80,83,108,113,129,131,133,138,139,142,149,151,157,162,173,181,187,191,198,201,205,210,211,223,226,230,235,236,239,244,251,254,257,260,261,267,273,275,276,279,281,282,283,290,295,305,306,318,330,331,333,335,336,338,341,342,344,349,350,351,352,354,356,357,360,362,363,364,366,370,372,373,374,375,376,389,381,383,385,386,391,393,395,404,406,407,408,414,418,425,426,429,430,435,436,451,453,455,457,460,463,464,465,468,470,474,478,479,480,482,485,495,499,501,502,504,510,511,513,514,517,518,519,520,526,527,536,537,538,539,540,544,549,552,556,559,561,570,571,573,588

128,134,186,191,197,201,208,261,283,285,304,317,340,344,373,403,414,438,482,483,485,487,488,489,490,493,531,538,582,597

2,4,14,19,23,28,41,43,50,55,70,79,84,87,98,100,101,106,111,114,128,135,137,140,143,145,152,153,154,155,159,164,166,175,180,188,190,197,206,207,208,213,215,216,229,231,237,243,245,248,249,252,255,261,268,271,285,286,287,288,304,308,313,314,315,316,317,320,325,327,328,339,340,346,350,356,358,365,368,371,380,388,389,392,396,399,408,413,423,429,430,438,442,448,449,450,451,455,461,462,482,484,487,492,496,498,499,500,506,509,521,531,534,542,546,547,550,561,567,576,577,581,583,584,586,588,590,593,594,595,599,600

Individuals and organizations throughout the nation recognized by the President as Daily Points of Light for engaging in direct and consequential acts of community service focused on serious social problems.

* Points of Light that address several community objectives, or that represent collaborative efforts by different sectors of a community, have been placed in more than one category.

Prepared by the White House Office of National Service

Glenn Hubbard

566-2563

Treasury

(Ferguson/Aarhus)
April 16, 1992
Draft One
YPO

PRESIDENT REMARKS: YOUNG PRESIDENTS ORGANIZATION
ROOM 450
TUESDAY, APRIL 21, 1992
XX:00 PM

[Acknowledgments]

I am pleased to be here with you today. I'd like to briefly address a few issues of concern to all Americans, but particularly to those of you in the business world. Your creativity and know-how are the fuel that creates our country's wealth and provides rewarding and fulfilling jobs for our communities.

In a free market, the role of government is too allow that creativity and know-how to flourish. That means, in a word, growth. I have tried, as you know, to promote sensible policies conducive to economic growth. Earlier this year, I proposed to the Congress a seven-point plan to jumpstart our economy.

Unfortunately, the Democrats in Congress had other ideas. Instead of offering a serious, growth-oriented package of their own, they sent me a grabbag of tax-and-spend proposals.

I drew the line against those new taxes, and I've made it clear that I will not allow an abandonment of the budget discipline that is the best hope we now have of controlling government spending.

But I want to assure you today: our agenda for economic growth is very much alive.

One of our serious economic problems right now is the cost of capital. It's too high. That's why I will continue to fight

for a cut in the tax rate on capital gains. A high cap gains rate merely discourages investment, and thus business expansion and job creation.

None of our major industrial competitors taxes capital at rates comparable to ours. Germany doesn't tax long-term cap gains at all; Japan taxes them at a rate of one percent.

Yet the very people who complain about our ability to compete worldwide vehemently oppose giving business this essential competitive tool. A lower cap-gains rate will benefit virtually everyone in America -- not only those who run a business but anyone who owns a house or a share of stock, or anyone who seeks a better job. It's time to stop punishing the pursuit of excellence. It's time to cut the tax on capital gains.

We are also working to lighten the regulatory burden that Washington imposes on American business. You may recall that in my State of the Union address, I announced a 90-day moratorium on federal regulations. Wherever possible, we have blocked those regulations that discourage growth; and we are accelerating those that encourage growth. I will soon be reporting on the results of our moratorium, and I think that you -- and anyone who cares about our economic recovery -- will be pleased with the results. But I can confidently tell you now: The day of over-regulation is just that -- over.

We are pursuing comprehensive reforms in other areas that directly relate to America's long-term competitiveness. We've

✓ proposed a market-based health-care reform, to control skyrocketing costs and bring coverage to the uninsured. Through our America 2000 initiative, we are continuing our efforts to revolutionize -- literally reinvent -- American education, to create the most highly skilled workforce in the world. And we've introduced important steps to reform our legal system, to put an end to the frivolous lawsuits that mire so many businesses and individuals in a bottomless swamp of litigation. We must start suing each other less and helping each other more.

And that brings me to a final point. I would like today to challenge you to join a movement that is transforming our country. I speak of community service, of those bringing help to the helpless, hope to the hopeless. Each of you I know is a leader in his or her community, a person to whom other community leaders look to for guidance and inspiration. The contribution you can make is literally without limits.

4/16/92

Mtg. re: Young Presidents
Organization

YPO → 4500 U.S. members
worldwide

Pres of company, under age 50

Type A male
self-satisfied

here → 150 chapter members
also members of WPO → over 50 yrs.
Prd

CEO - CEO'S

YEO - young exec-og.

(entrepreneurial)

What they want to do for us re: community of light

Board of Dir.
Senior leaders

POTUS bro mem of YPO?

tend not to be too interested in
comm. service

Purpose of briefing

1. The economy - growth agenda

2. Getting all their organizations into comm. ser.

↳ Pres. of YPO ~~has~~ ^{will} appoint ~~the~~ someone to lead this movement

↳ but not before this speech.

Ponus

Sec. Brady

Gregg

Skinner

order of program

Ponus should challenge YPO to be more involved

Don't force them into it

Sensitivities

- do not support communities of light

- want individuals in group to take charge, group as a whole does not support causes as a group

- they have good networking capabilities to help

Gregg will get anec re: what other bus. have done thus far.

event site:
Km. 450

Communities of light
influential leaders get each other to get community
members involved in comm. ser.

YPO these execs. are involved in comm., or know
people who are.

they are leaders of leaders (they & their)

POINTS

1. there are execs making a diff. areas.
2. leaders of all institutions in a comm. can
mobilize members to become PD

I challenge you as mem. of YPO to
get your communities involved. see
yourself as leaders of other leaders who
call their mems. to act.

make a comm. of light

see PD matrix (fr. mtg.)

small platoons of people working through their institution

POINTS

→ companies that merge in comm. service
find extra benefits: morale

confidence

helps comm. you live in

helps company (teamwork, respect, etc.)

- I'm a big shot - I really should help the
"smaller" leaders do good for the community.
(very flatter⁽⁺⁾ing to have POWS call on these big
leaders to help)

Ray will get anecdotes

Economic growth - highlight this

YPO - smaller businesses

- want ↑ growth

pro-trade

cap gains

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 21, 1992

REMARKS BY THE PRESIDENT
TO THE YOUNG PRESIDENTS ORGANIZATION

Room 450
Old Executive Office Building

2:04 P.M. EDT

THE PRESIDENT: Thank you all. Please be seated. I am delighted to be here and it's delightful to have this distinguished group of executives here. I want to single out Doug Glant, the International President of YPO, and thank him for "honchoing" this outfit and getting everybody together. Some of you look a little old to be YPOs, but nevertheless -- (laughter) -- far be it from me to be throwing darts in this way. (Laughter.)

But I'd like to briefly talk about some of the issues of concern -- certainly of concern to this group, but I think of concern to all Americans, but with particular emphasis for the business community. Your creativity and the know-how that I think of when I think of YPO really are the fuel that creates our country's wealth and provides rewarding and fulfilling jobs for our communities. And the role of government in free enterprise is to allow this creativity to flourish. And that means growth.

I know we've had a very difficult time here, a far longer slowdown -- indeed recession in some corners -- than we would have liked. But for the past three years, we have been trying to promote sensible policies that will help you expand businesses and help create jobs. And we're going to continue to fight for a growth agenda. I had to veto some tax legislation recently, but we were pressing at the same time for seven bullet-point pieces of legislation that would have stimulated the economy. I am still hopeful that we can get some of them through this Congress, and I'll mention a couple of them in a minute.

We face a decision here in the White House now on another subject, and that's the participation in the U.N. Conference on the Environment and Development in Rio. The attendance of the U.S. President at the Rio Conference would add a major political impetus to that undertaking; there's no question about that at all. The world looks to us for leadership in this field. But it could also commit the United States to a course of action that could dramatically impede long-term economic growth in this country. And I am committed to international cooperation to preserve the world's environment. I want to be very clear on that. And that's why I would like to go to this conference. But I am not going to go to the Rio Conference and make a bad deal or be a party to a bad deal. I am not going to sign an agreement that does not protect the environment and the economy of this country.

And this is a very important decision. It's an important decision for our environment and it's a very important decision for our economy. And to play politics with the Rio Conference severely undercuts the U.S. position as we try now to assure a world view that will protect the environment and the economy. Negotiations are going on right now to try to accomplish both before I make a decision as to whether or not I will go to Rio.

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We are going to consider intensely this matter in the days ahead. And I'm going to let you know soon -- let the country know soon of our final decision on my attendance in Rio.

Here at home last week, we had some more heartening news about the United States economy. All around the world, consumers and companies buy American goods and services in ever-greater amounts, despite the sluggish performance of some of their own economies. U.S. exports -- I look around this room and I see many who are participating in this -- U.S. exports are experiencing a surge, rising seven percent in February to a one-month record high of almost \$38 billion. And once again, I think in a good sense, American exports, manufacturing exports, are leading the way.

This good news underscores a fundamental truth about our own competitiveness: If we're to succeed economically at home, we must succeed economically abroad. And the evidence is indisputable: Open markets and free trade mean new jobs for American workers and certainly growth for American companies. Over the past four decades, trade-related jobs in our country have grown three times faster than overall American job creation.

We must build on this astounding success. And already over the past four years, our exports to Mexico have more than doubled, creating more than 300,000 export-related jobs here at home. And I remember attending a YPO meeting in Mexico about 12 years ago, maybe 14 I think it was, when we were really way behind the power curve in terms of doing business with that country. And they were way behind the power curve in terms of a political situation that would permit the kind of vigorous business that I've just talked about here.

But what we're trying to do now is take that improvement and lock in the gains with what is known as the NAFTA, the North American Free Trade Agreement. With Canada and Mexico, the North American Free Trade Agreement will establish one of the world's largest trading areas, a \$6-trillion market from the Yukon to Yucatan. And that's going to mean hundreds of thousands of new jobs for U.S. workers. Those that are fighting me or fighting us on this concept are saying it will cost jobs. We are absolutely convinced that a successful conclusion to that trade agreement will create jobs, and I mean good jobs.

Tomorrow, on another field, I'm going to be meeting with Jacques Delors, the President of the EC Commission. And with him will be President Cavaco Silva, an old friend, President of the European Council. He is the Prime Minister of Portugal as you know. And we're going to be discussing the Uruguay Round of the GATT, the world trade negotiations that are so essential to expanding trade for everybody.

Over the next decade, a successful conclusion of that Uruguay Round could pump \$5 trillion into the global economy. And the U.S. share of this growth would top \$1 trillion. And no one should doubt our resolve to preserve and expand the worldwide regime of open trade. GATT must be preserved for this reason: American workers and American companies deserve the jobs and opportunities that those open markets offer.

I think these negotiations are going to be tough. They are going to be difficult. But we're approaching them, as we have earlier negotiations, with a positive spirit. We will do our part, but the United States must not be asked to bear the entire burden of compromise when it comes to hammering out a successful conclusion to this GATT Round.

There's still much we can do to make America more competitive. And one of our serious economic problems right now --

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and I won't tell you too much about this, lest you tell me about it -- that is the cost of capital. And it's too high. We know that. And that's why we're going to continue to fight for a cut in the capital gains rate -- capital gains tax rate. A high cap-gains rate discourages investment and, thus, business expansion and, thus, job creation. And it is very clear to most business people that this would be a helpful thing.

Ironically, two years ago, in both Houses we had a majority for reducing the capital gains tax. And it was beaten down purely by the political leadership in the United States Senate, keeping us from giving this incentive to American businesses, large and small. I am continuing to fight for this. Some call it a tax break for the rich, and I never believed that in the first place and I don't believe it now. And we're going to keep fighting to get that stimulative cut in capital gains.

None of our industrial competitors -- major industrial competitors -- tax capital gains at rates comparable to ours.

Germany, as some of you know, Germany doesn't tax them at all. And in Japan, an entrepreneur who sells the company that he's built from scratch pays a tax of one percent. And we are supposed to compete with those vigorous economies with a much higher capital gains rate.

And yet, the very people who complain about America's ability to compete block our effort -- every effort to lower the capital gains tax. A lower rate will benefit virtually everyone in America, not only those who run a business, but anyone who owns a house, or share of stock, seeks a better job. It will help a lot in the agricultural area of this great country of ours, too. So it's time to stop punishing the pursuit of excellence. And it's time, I think, to cut the tax on capital gains.

We're also working to lighten up the regulatory burden that Washington imposes on every American business. Last January we announced a 90-day moratorium on federal regulations. Wherever possible, we blocked those regulations that discourage growth and we're accelerating those that encourage growth.

So far, the preliminary estimates show that we've saved American business \$10 billion to \$20 billion in regulatory costs. When new legislation is passed, clearly new regulations are required. I'm thinking of the civil rights legislation that I'm very proud of: the Americans With Disabilities Act. And, yes, it imposed a burden on some, but it was overdue. It's sound legislation. It encourages people to get into the mainstream. And yet, there's been some cost with that one.

We renegotiated the Clean Air Act, and that was long overdue. And I think it's good. We tried to use market forces, incidentally, in letting people meet the clean air standards, but nevertheless, that imposed a regulatory burden. So now we're trying to move forward and fulfill our responsibilities for safety and all of that, but eliminate this movement towards overregulation. And as I say, these preliminary estimates have been pretty encouraging in terms of the savings in regulatory costs.

I'm going to soon be making an announcement about our battle against these excessive regulations, but for now I simply want to say the days of overregulation are just that -- they are over. And we are going to stay in there to be sure that independent agencies, whatever they are -- people -- whoever come in with these excessive regulations are going to have them blocked, if at all possible.

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We're pursuing comprehensive reforms in other areas that directly relate to America's long-term competitiveness. We've proposed, for example, market-based health care reform to control the skyrocketing costs and to bring coverage to the uninsured. I do not want to see us lose the quality of health care that we have in this country by going to the pay-or-play plan that's going to break a lot of small businesses; or even worse, to the so-called nationalized plans that have many of our neighbors sending their people over here for care. We are not going to go to that centralized or socialized approach to medicine. And the proposals that we have made that give people access to insurance and show much greater flexibility in the insurance pool I believe is the answer to this health care problem.

In another way, another field, through our America 2000 initiative, we are intensifying our efforts to literally revolutionize -- reinvent -- American education. It isn't good enough anymore to simply throw more money at the mandated programs that have failed the young people of this country. And we're not going to do that. And we've gone together, gotten the governors together, set six national education goals -- very sensible goals -- no partisanship involved in that coming together of the governors, and now we're moving forward trying to get this program underway. Some legislation is required. Fortunately, a lot of legislation is not required, and we can go right to the communities to reinvent the American school. And it is a good program, and I urge you to take a hard look at it because I know that you know that we are going to have to do a better job of education, particularly in math and science, if we're going to be competitive in the year 2000.

So American education -- I think we've got a good program and I strongly urge you to give it your support.

Another area that I know is of concern to people here, it is to me, and that is the area of legal reform. We have introduced important steps to reform our legal system, to put an end to the frivolous lawsuits that mire so many businesses and individuals and community activities in a bottomless swamp of litigation. We've got to sue each other less, start helping each other more.

And I will continue to fight to get this Congress, hostile Congress in this area, I might say, to at least give an up or down vote on reform of the liability system. We haven't even been able to get that; we haven't even been able to get it out of committee; blocked by powerful lobbies up there. So here's an area where I know your interests are at stake and an area where I would earnestly solicit your support. Because we must start capping some of these outrageous settlements that run the cost of business right off the chart, run doctors out of business, and say to Little League coaches, hey, you better not take a chance by coaching the Little League or this guy over on third base is going to sue you.

And so we're going to fight this one. But again, it's an area where we need your help.

And the last point is this: The fact is that none of these pressing social problems are going to be solved without the voluntary involvement of individuals and communities. And when I think of YPO and the success that this epitomizes, this organization epitomizes, I think of a thousand points of light and I think of people who, in spite of spending an awful lot of time building and creating jobs for people, they find time to do something in the communities. From the first day of this administration, we have called on every American to be a point of light -- to bring hope to the helpless, and to help the homeless, and to love and care for those who are in need.

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And it is working. And it isn't a government program; it is simply encouraging the sense of volunteerism that is in everybody. Right here in your organizations, you're going to -- plenty of examples of what I'm talking about. Gay Mayer, who works with a drug rehabilitation program in his area, has helped more than 100 young adults recover from the ravages of drug abuse to lead productive lives. What one individual has been able to do just by giving of himself. Joe Lobo, who spends his Wednesday nights counseling children of alcoholics.

I would like today to challenge all of you to join these men in a movement that is literally transforming our country. It is much more effective than having a mandated specialized program coming out of some subcommittee in the United States House of Representatives. And it is working. It is the best in ourselves. And I urge you to really, really pitch in.

First, I ask you to make your company a point of light, by personally devoting as much time as you possibly can to community service, encouraging the employees to do the same. This whole concept of mentoring, where businesses reach out and help in this Education 2000 program, is really working around the country.

Secondly, you can encourage other leaders to make voluntary service part of their own missions as well. And finally, you can work among your vast memberships to help America itself become a nation with communities of light -- a concept where an entire community comes together figuring how to solve its own enormous social problems.

I spoke earlier with some of your leaders -- Doug and others -- and I know that there is support among your members to assume this leadership role. And I know Doug has asked David Weaver, an old friend, to work with each of you to decide how you can all best respond to this challenge.

I am convinced the results will be profound, and urging this -- we're not trying to escape the responsibility of the federal government. It's something entirely different. It's the concept that Thoreau noticed years ago about the propensity of one American to help another. And we're simply trying to revitalize this, especially in these days of scarce resources and failed centralized mandates.

So we've got a lot at stake here, including the legacy that we leave our children. We all want a world at peace; strong, wholesome families; rewarding jobs for all who seek them.

You know, in these days, you hear and I hear mostly about the problems. We've got a lot to be grateful for in this country. Our kids -- grandkids in some cases -- go to bed at night with far less fear of nuclear war. The war has changed dramatically in the last three years -- unprecedented changes that nobody would have believed possible.

In the Middle East, ancient enemies are at least talking about peace. South of our border you see the emergence of democracies that none of us would have predicted just three or four years ago. The solidifying of the democratic way. And you see countries coming to grips with their economic problems. Argentina comes to mind; Mexico, a sterling example of this dramatic change that is taking place around the world.

I spent this morning talking to a group of business people on working with them on what we can do to help democracy along in the CIS, the Commonwealth of Independent States over there, led by Russia. And then the Ukraine, with Kravchuk coming here next month and Yeltsin the next. And so there's an awful lot of change in this world that is good and strong and positive.

And now what we've got to do is take these ideas, and maybe some that you have that I haven't mentioned, bring them to bear on the economic problems so we can regain the growth that is absolutely essential if the United States is going to continue to be the leader in these very important areas.

But you've caught me on an upbeat day, a day that I am confident about the United States' leadership. It is only -- I might tell you this, and some of you can confirm this from your trips abroad -- it is only our country that the others look to now as the undisputed leader of the entire world. So we've got to fulfill those responsibilities while still trying to do what we can to assist those that are hurting right here at home.

And I am confident, with your help, with your continued imaginative leadership, that we can do just exactly that. So thank you very, very much for coming to the White House. I didn't intend to give you this much of a lecture, but I'm just -- I don't normally have such a high-talented, captive audience. Thank you all very, very much. (Applause.)

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2:25 P.M. EDT

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