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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 19, 1992

REMARKS BY THE PRESIDENT
IN ADDRESS TO NATIONAL RETAIL FEDERATION

Room 450
Old Executive Office Building

3:03 P.M. EDT

THE PRESIDENT: Let me first salute Lamar Alexander -- most of you know who he is -- our Secretary for Education. But as we're trying to literally revolutionize American education -- give kids a real break, give them a shot at excellence -- why, I can't tell you how grateful I am to have him as Secretary. And he's doing a superb job.

Tracy, President, thank you for having me here. And to Joseph Antonini, I salute him, our Chairman. And thank you all very much for coming.

I gather Pat Saiki has been here, right, or has she?

MS. MULLINS: She spoke to us this morning.

THE PRESIDENT: Yes. I want to say about Pat, when this problem broke out there in Los Angeles, she took that SBA and really rose to the occasion. And I think she's really trying to help in that field. And, of course, what they're doing, SBA, across the board, I hope, is beneficial in many ways to all business people in this country.

But, as you know, these riots out there left a large number of retail operators and a lot of small businesses devastated. What happened in the Korea community, where it was particularly concentrated, was just horrible -- and, of course, all communities. But Pat did respond very swiftly. The SBA and then, also, FEMA, the Federal Emergency Management Agency, made massive resources available. The Federal Home Loan Bank is going to offer an additional $600 million to finance the rebuilding of homes and businesses there. And then we have a special task force to cut the red tape and to make sure that these businesses get the help that they deserve in record time.

So I wanted to just give you a report on that. I think the federal government has responded promptly to the troubles out there. The Governor and the Mayor have both thanked us for what we've done, not only in this side but also in the law enforcement side, by bringing to bear some of the U.S. Army, the 7th Infantry and the Marines at a time when it was very dicey. And so I hope that our response has been proper. But now we've got to go beyond this tragedy and renew our commitment to bring hope and to bring opportunity not just to Los Angeles but to every city.

And last week, we went to the Congress with six action-oriented items. Again, I had a chance to repeat that, we had the Democratic leaders and the Republican leaders into the White House today. And the six points: the first one was a Weed and Seed anticrime initiative, where you weed out the criminal elements and then seed the neighborhoods with investments and jobs that, hopefully, will bring opportunity to the communities.

The housing initiative is known as HOPE -- that's Home Ownership for People Everywhere. We get hit saying, hey, we ought to try some new ideas. We said this is a new idea. It really hasn't been tried. It's a proposal we've had out there. But I happen to feel that dignity comes with owning your own home an awful lot of the time. And so we're going to press, and I think Congress now will be much more receptive to that.

Education reform Lamar will talk about. But in terms of meeting medium- and longer-range objectives, therein lies the answer. These kids have got to be educated. They have got to understand that gang warfare is no substitute for jobs. And so we're putting an awful lot of stake on trying to get through now the education program that I'm sure Lamar will describe to you.

Welfare reform -- you've got to be careful that you put it forward in a very constructive way. And that, again, is what we're trying to do. I read the case of the family the other day where a little girl had managed to save pittance, her mother being on welfare and the welfare law was such that she couldn't save anything beyond $1,000. That seems to me to be counterproductive. So we're trying to make reforms there, as well as reform the -- permit the states to try new things through what we call the waiver process -- give waivers to the states from the existing guidelines and let them try innovative answers, whether its learnfare or workfare or whatever it is. So this one is important. Again, it transcends just Los Angeles, but it's a national thing.

Strong job training programs for young people is a very good one. And we've got Job Training 2000, which is like a one-stop shopping for all the federal agencies to come together and help on that one.

And then the enterprise zones approach. I was amazed, but in everyplace I went -- both there in South Central, in the Korean community and then in Pittsburgh and in Philadelphia -- there's an idea which really has unanimous support now. And so I am very hopeful that this enterprise zones concept that passed the Congress -- not in the form we wanted, but that passed the Congress -- will be enacted into law. It will bring private capital and jobs to the neighborhoods. It will act like a magnet, giving businesses a break to locate in these tough areas. And, obviously, if it didn't work and wasn't productive, they wouldn't stay. But at least it's an idea that needs to be tried.

Now, on your business. I know the retailers have not had it easy. You've been through some tough times, as have many other sectors of the economy. I think there are reasons to be encouraged overall. In the first quarter of this year, retail sales were up by, I'm told, a strong three percent. And I want to tell you that we are going to try to everything we can from here to ensure that the growth continues.

It's odd, I just saw some new surveys, and the American people still feel the economy is getting worse, even though most economists now and most business people are saying, hey, it's beginning to move. And I think you'll see some growth figures that confirm that. But there's a psychological -- a confidence problem out there that I'm sure adversely affects some of your interests -- some of your business. I think that can turn around now and I think it will turn around.

And we are going to try to oversell where the economy stands, but at least try to gun down some of this pessimism you get on the top of every news broadcast across this country. I mean, they don't -- there's never -- when a statistic comes out that's favorable, somebody finds a bad one to offset it with or trying to put a bad spin on it. But I believe things are beginning to move.

And I think most people in the country feel that way. And I hope that that is immediately felt in the retail business.

In Washington, clearly, we've got to get our own house in order. We have proposals before the Congress now that really would help with the federal deficit. We are not going to get the deficit down until we cap the growth of -- you don't have to cut -- but cap the growth of the mandatory programs. And there's no other way to do it.

We've done fairly well by capping the discretionary programs. But we've got to get discipline back. And that leaves me to ask for your support for an idea that I've long been for, advocated it in campaign after campaign, but that we may have a chance to get through Congress now, and that is the balanced budget amendment. It will have to be phased in -- it can't be done overnight. But it can be phased in. And I really think it would discipline not just the Congress, but any executive branch -- ours or subsequent executive branches. And I would like to ask your support on that because that's beginning to churn around in the Congress right now.

Secondly, we are going to continue to go after red tape, reduce federal red tape. It acts as a straight jacket. I was in business once and I remember having to get -- that was way back in the '50s and '60s -- and I remember the pain it was to have to go to several agencies to get permits to go out and do our business. So we are trying to simplify all that now, recognizing that every dollar you spend conforming to some government mandate is a dollar that you could spend in some way making sales to your customers more efficient or reducing costs or whatever.

And as you may know, we have a moratorium now on new federal regulations. It has been successful. And now we've renewed it. We're speeding up those regulations that encourage growth. And wherever possible, we are actually cancelling regulations that needlessly burden business.

I have certain responsibilities for safety, for the environment, but I am convinced that up until now we've not found -- government hasn't found the proper balance. And we are really working at this problem and I hope that we can prove to you that the days of overregulation are just exactly that, that they are over. But if you get examples from your businesses where that is not true, please call them to our attention and let us try to help with this bureaucracy out there where we have to fight to hold the line against the excesses of regulation.

The IRS, just by way of example here, at our direction has issued new rules to simplify the payroll tax system. And those new rules are really going to reduce -- significantly, I might say-- the payroll costs of businesses. We're launching an experimental program that will let employers make tax payments electronically. And there is no reason why you should waste time and money doing paperwork for the U.S. government.

And I also understand how crucial trade is to the growth of your area -- this is a whole other point. In fact, I believe it is crucial for every American. Our economic success at home depends on our economic success abroad. We can no longer pull back in isolation or into protectionism. We simply can't do it. There are some bad politics in it. Maybe there are some good politics. I know there's good common sense in this approach I've outlined.

I really appreciate what you all have done on behalf of the North American Free Trade Agreement. And I am convinced that it is in the interest of the American worker to get that agreement passed. And when we get it, and I am confident we will, we're going

to have created a $6.5 trillion market with the North America Free Trade Agreement -- $6.5 trillion market -- one of the largest of the world.

And also on the GATT Round, we're moving forward there. It's difficult -- the hangups -- I won't burden you with all the details, but I'm telling you it's like pulling teeth getting the GATT Round completed. But a successful GATT agreement could pump more than $5 trillion into the global economy over 10 years. And our share of that promises to top $1 trillion. And that means, obviously, more and more better jobs for Americans. I think it means better service for your customers, too, and I think it means better prospects to make your businesses grow. I think the consumer is helped here by prices being reasonable and more repetitive.

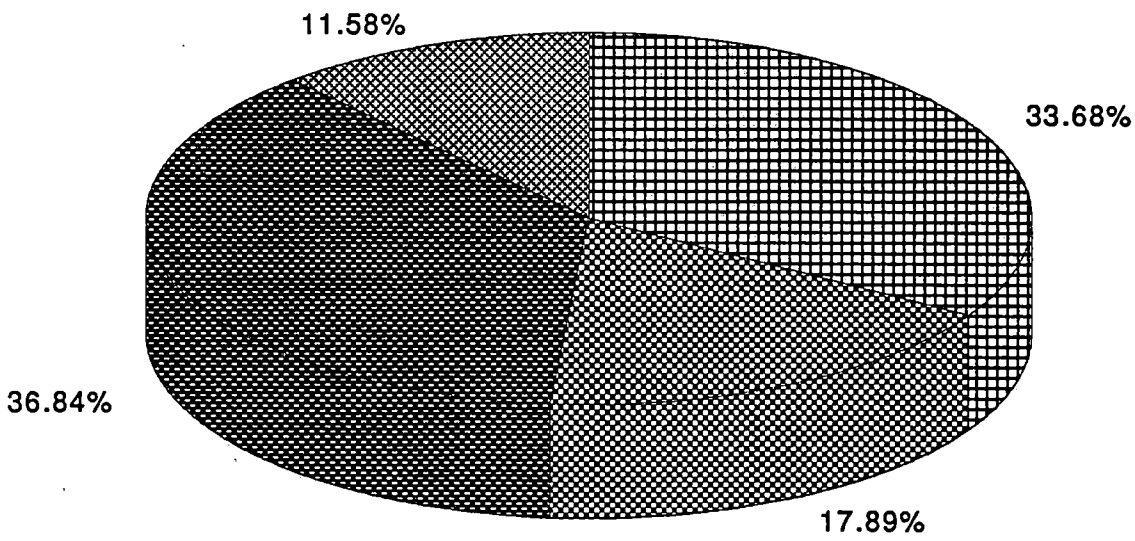
Now, I am committed to both the NAFTA and GATT Round conclusions. And some call this trade policy optimistic, and in a sense, I think they're right because I am optimistic about this country. I refuse to be one of the pessimists when it comes to where we stand in terms of the future. And the creativity and the energy and the enthusiasm of the members of this organization are just the best possible rebuttal to the pessimists.

So with your help I think we can demonstrate, as we're coming out of this slow infinitesimal growth period, that we've got plenty to be grateful for and that there's plenty of opportunity out there. And the retailers have been in the lead for many sensible fiscal proposals up there on Capitol Hill, and this is a good opportunity just to say thank you from the bottom of a very, very grateful heart.

And thank you for being with us today. And now I will turn the program either to the chairman or to the other president, depending how we want to do all of this. (Applause.)

END 3:14 P.M. EDT

Question: If the federal government could take <u>one</u> action to make operation of your independent retail business easier and more productive, what would it be?



S. Central
LA
-- lowest
homeownership
rate in the US

-seed corn
- a piece of the puzzle

The left says:
THOSE PEOPLE want to be part of
wonderful recovery.
the mainstream
THOSE people don't want to
start businesses

Wash Post
article, woman from
Nickerson gardens:
"the problem with welfare
is that it
punishes you
for trying
to get off."

This President and this Administration stand committed to this growth -- you can count on it. And I personally appreciate the strong support IMRA has announced -- support for my economic growth package announced in my State of the Union address, support for my regulatory reform initiatives, and your support for our civil justice reforms that are in the Access to Justice Act of 1992.

You're out there on the front lines of this economic recovery. You understand the deadly process that can turn regulatory red tape into pink slips for businesses. You've seen how the hand of government can tie the Invisible Hand of a free market at work. Together, we can bring real change to our federal government. That's my goal and I need your support.

Barbara joins me in congratulating all of you on your successful convention in beautiful Florida. Thank you, God bless you, and God bless the United States of America.

A rising
tide may lift
all boats.
But some
people, some
of the people
in the America
family
have holes
in their boats

IN SEARCH
OF A METAPHOR

The
America
Family
JPP?

- Bush talks
like talks
about
Fam

- echoes, resonates
w/ everything
Bush is --
America
wants --
& America
needs.

- wakes for our
losses & misfits
(Dem convention)
- adventure
possibilities

The highest
tax in America
is placed by a
welfare mother
w/ one entire
family

(Grossman/Simon)
May 13, 1992
Draft One
IMRA

PRESIDENTIAL VIDEO: INTERNATIONAL MASS RETAILERS ASSOCIATION
ROOM 459
MAY 18, 1992

I didn't want to let this convention go by without a "Hello" and "Thank you" to all my friends from the International Mass Retail Association. [[When Barbara found out you were down in Orlando, she said you had probably seen enough of Dumbo and Goofy without hearing from me. \\ What can I say, Barbara Bush -- America's Fairy Godmother.]] Anyway, my best wishes and congratulations to all my good friends and supporters -- especially your President, Bob Verdisco, and your Chairman of the Board, Warren White.

I understand that my friend Norman Schwarzkopf is standing by. When "The Bear" speaks, people listen -- or else they dive into their bunkers. General Schwarzkopf is a man of courage who helped us change the world. Now it's people like you, and the International Mass Retail Association, that are helping us change America.

IMRA [IM - rah] represents the overwhelming majority of the nearly $170 billion mass retail industry -- the strongest segment of overall retail. Recent retail stats paint a picture of an economy on the rise. I have faith in this recovery -- because I have faith in people like you. <u>All</u> of you have earned your stars in turning this economy around.

create
a greater
reward for
working
over
for welfare.
It is that struggle.

- We don't want to empower
the welfare bureau.
~~we don't want to empower~~
the housing bureau.
We want to
empower the
people.

IMRA Orlando last event just before Schwarzkopf

- D R A F T #2 -

GOOD MORNING. I DID NOT WANT TO LET THIS OPPORTUNITY OF YOUR ANNUAL CONVENTION GO BY, WITHOUT THE CHANCE TO SAY "HELLO" AND "THANK YOU" TO ALL MY FRIENDS FROM THE INTERNATIONAL MASS RETAIL ASSOCIATION. MY SPECIAL BEST WISHES AND CONGRATULATIONS FOR HAVING HAD A WONDERFUL CONVENTION TO MY GOOD FRIENDS AND SUPPORTERS --- YOUR PRESIDENT, BOB VERDISCO, AND YOUR CHAIRMAN OF THE BOARD, WARREN WHITE.

I UNDERSTAND THAT RETIRED GENERAL NORMAN SCHWARZKOPF IS UP ON DECK AND THAT HE WILL BE ADDRESSING ALL OF YOU NEXT. HE HAS BEEN MY TRUSTED FRIEND AND ADVISOR. AFTER HEARING "THE BEAR," YOU WILL KNOW WHY WE WERE ABLE TO WIN SUCH A DECISIVE VICTORY IN OPERATION DESERT STORM. HE IS A GREAT MAN, WHO WILL BE ADDRESSING A GREAT ORGANIZATION.

THE INTERNATIONAL MASS RETAIL ASSOCIATION REPRESENTS THE OVERWHELMING MAJORITY OF THE NEARLY $170 BILLION MASS RETAIL INDUSTRY AND IS THE STRONGEST SEGMENT OF THE OVERALL RETAIL INDUSTRY. RECENTLY, RETAIL STATISTICS HAVE BEEN PROVING THAT OUR ECONOMY IS STARTING TO SHOW SIGNIFICANT SIGNS OF IMPROVEMENT. I AM CONFIDENT THAT OUR ECONOMY IS REBOUNDING. ALL OF YOU HAVE PLAYED

INT'L MASS RETAIL ASSOC. ANNUAL CONF.

A CRITICAL ROLE IN THIS TURNAROUND.

I AM COMMITTED TO THIS GROWTH AND APPRECIATE THE STRONG ANNOUNCED SUPPORT THAT IMRA [PRONOUNCED: IM - RA] HAS PROVIDED ME -- INCLUDING YOUR SUPPORT OF MY ECONOMIC GROWTH PACKAGE ANNOUNCED IN MY STATE OF THE UNION ADDRESS, YOUR SUPPORT OF MY REGULATORY REFORM INITIATIVES, AND YOUR SUPPORT OF OUR CIVIL JUSTICE REFORMS THAT ARE IN THE ACCESS TO JUSTICE ACT OF 1992.

TOGETHER, WE CAN BRING REAL CHANGE TO OUR FEDERAL GOVERNMENT. YOU AND ALL AMERICANS DESERVE AN EFFICIENT GOVERNMENT THAT DOES NOT BURDEN YOU WITH REGULATORY OBSTACLES. THAT IS OUR GOAL.

I HOPE THAT I CAN COUNT ON YOUR CONTINUED SUPPORT DURING THIS YEAR AND BEYOND.

BARBARA JOINS ME IN CONGRATULATING ALL OF YOU ON YOUR SUCCESSFUL CONVENTION IN BEAUTIFUL FLORIDA. BEST WISHES FOR A PROSPEROUS YEAR. THANK YOU AND GOD BLESS.

→ Internat shopping centers

NOTE: IMRA is sensitive to the term "discount retail" and prefers the term "mass retail." Thank you for this consideration.

(Ferguson/Grossman)
May 15,1992
Draft Two
RETAIL

PRESIDENTIAL REMARKS: NATIONAL RETAIL FEDERATION
MAY 19, 1992
ROOM 450
2:00 P.M.

(Acknowledgments)

I'm delighted to receive this award, and to have the chance to visit with you today.

Before I go any further, let me say a few words about Los Angeles. The recent riots, as you know, left a large number of retail operators and other small businesses devastated. We've responded swiftly to the needs there. The Small Business Association and the Federal Emergency Management Agency have made massive resources available to the businesses victimized in Los Angeles. And the Federal Home Loan Bank system will offer an additional $600 million to finance the rebuilding of homes and businesses.

But now we need to look beyond the immediate aftermath of this tragedy. We must renew our commitment to bring hope and opportunity not just to Los Angeles but to every American city. Last week, I presented to congressional leaders a six-point action plan to do just that: our "Weed and Seed" anti-crime initiative; our HOPE housing initiative; education reform; welfare reform; strong job-training programs for young people in the inner city; and enterprise zones, to bring private capital and jobs to neighborhoods that so desperately need them.

(301) 763-7038

Jan 139103 Feb 134879 March 151771 April 157376

Commerce 377-2600

I know that retail has been through tough times, as have many other sectors of the economy. But there are reasons to be encouraged. In the first quarter of this year, retail sales rose a strong 3 percent. I want to assure you that we're doing everything we can from here to ensure that this growth continues.

NB-HR

CEA Kitty x5108

We've been taking steps to reduce federal red tape, which too often acts as a straight jacket on your ability to compete. Every dollar you spend conforming to some government mandate is a dollar you could spend to serve your customers better. As you may know, we've implemented a moratorium on new federal regulations. We're speeding up those regulations that encourage growth -- and, wherever possible, we're cancelling regulations that needlessly burden business. The days of over-regulation are just that -- over.

Sr Bus.

For example, at my direction, the IRS has issued new rules to simplify the payroll tax system. The new rules will save businesses billions of dollars in payroll costs. We're also launching an experimental program to let employers make tax payments electronically. There's no reason you should waste time and money doing the government's paperwork.

I also understand how crucial trade is to the growth of your industry. In fact, it is crucial for every American, because our economic success at home depends on our economic success abroad. I appreciate the good work the NRF has been doing on behalf of our North American Free Trade Agreement. When

NRF brochure

we get that agreement -- and we will -- we will create a $6.5 trillion trading area, one of the largest in the world.

We're also moving forward with the GATT trade negotiations. A successful GATT agreement could pump $5 trillion into the global economy over ten years. The U.S. share of that promises to top $1 trillion. And that means more and better jobs for Americans, better service for your customers, and better prospects to make your businesses grow.

Thank you for the opportunity to speak with you today, and thank you this honor.

# # # #

FOR IMMEDIATE RELEASE
CONTACT: DALE TATE

MAY14 ,1992
(202) 783-7971

PRESIDENT BUSH, GOVERNOR CUOMO TO SPEAK
AT NATIONAL RETAIL FEDERATION CONFERENCE

The country's top retailers will hear from President Bush, New York's Governor Mario Cuomo, Senate Republican Leader Bob Dole and House Minority Whip Newt Gingrich, among others at The National Retail Federation's (NRF) Annual Washington Leadership Conference on May 19 & 20.

President Bush will receive NRF's Leadership in Public Service Award at the White House at 2:00 p.m. on May 19.

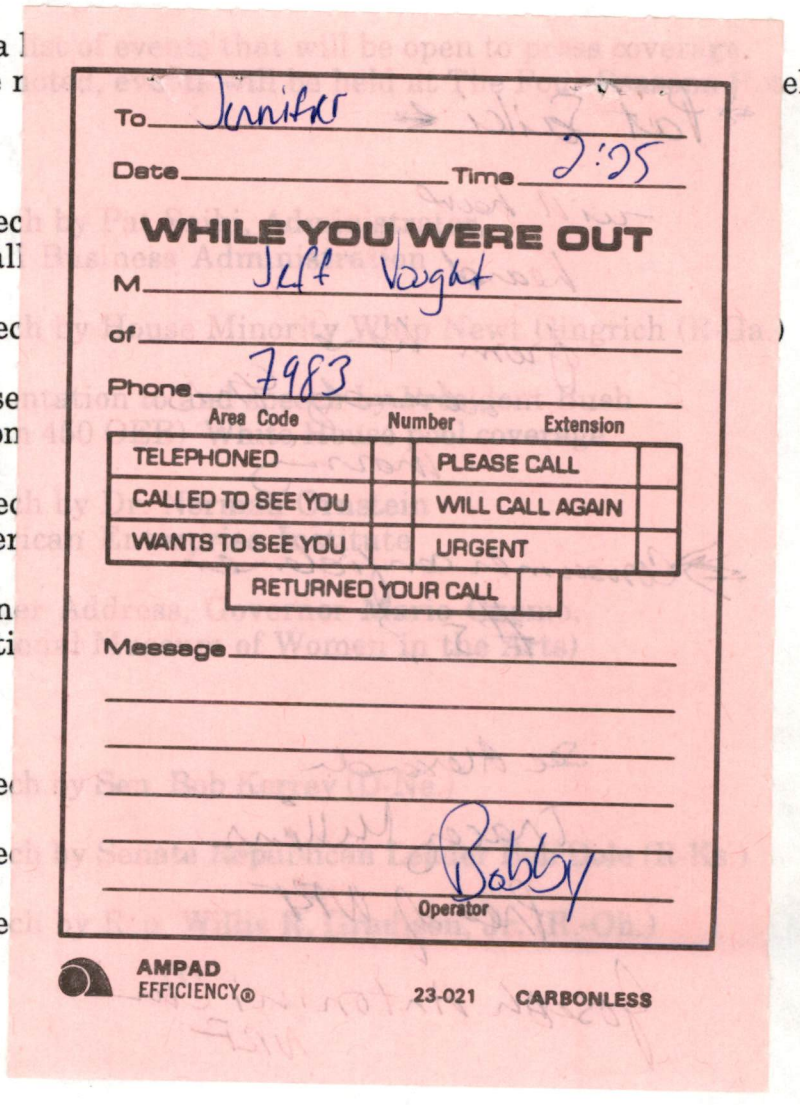
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May 19

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7:30 p.m.	Dinn (Nati

May 20

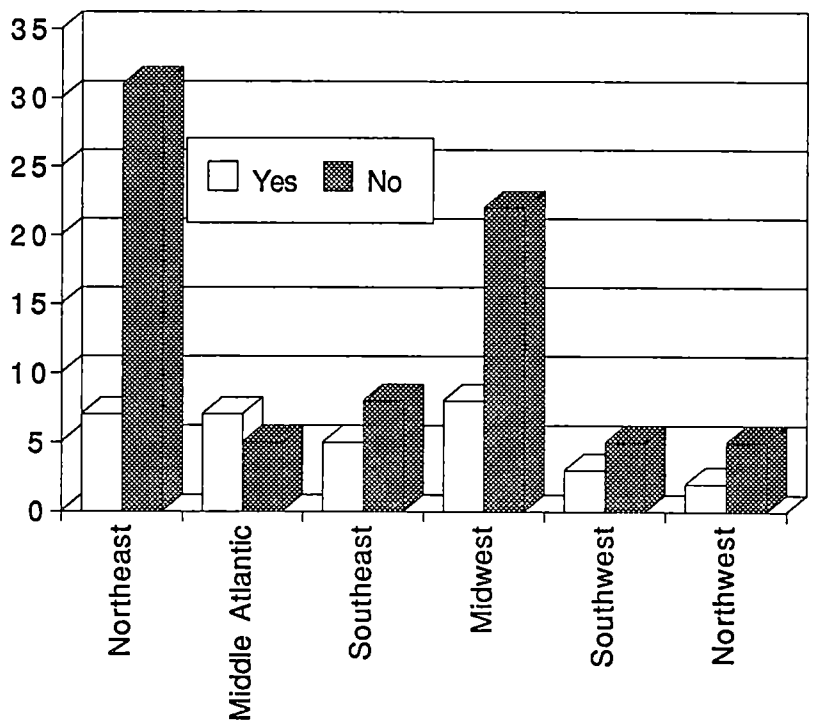
8:00 a.m	Spee
9:00 a.m.	Spee
10:15 a.m.	Spee



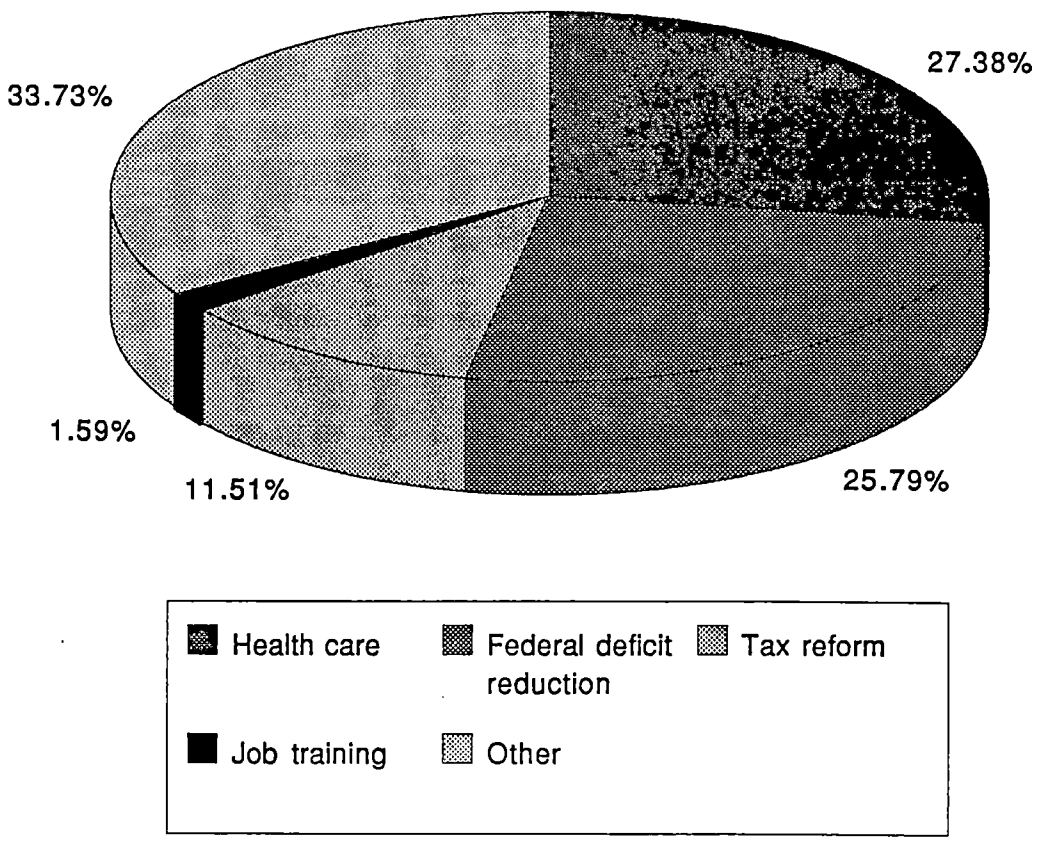
12:00 p.m.	Speech by Sen. Bill Bradley (D-N.J.)
2:00 p.m.	Speech by Bernadette Budde, Political Director, BIPAC Speech by Robert McDicken, American Society of Association Executives

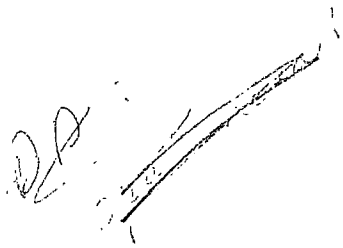
For additional information on NRF's Washington Leadership Conference, please contact: Dale Tate (202) 783-7971

Question: Are you beginning to see signs of real economic recovery in your business or your geographic region?



Question: Looking to the future, what are the three most critical policy areas that need to be addressed by the federal government? (e.g. health care, tax reform, federal deficit reduction, etc.)





NATIONAL RETAIL FEDERATION
701 PENNSYLVANIA AVENUE, N.W. ♦ SUITE 710 ♦ WASHINGTON, D.C. 20004 ♦ (202) 783-7971

ANDY:

ONE AREA I FORGOT TO MENTION WAS TRADE, ESPECIALLY CHINA MFN, WHICH IS CRITICALLY IMPORTANT TO RETAILERS.

ALSO, CAUTION, THE SURVEY WAS OF OUR INDEPENDENT STORES, I.E. SMALL RETAILERS, AND THEREFORE DOES NOT REFLECT THE VIEWS OF OUR BIGGER MEMBERS, LIKE SEARS, K-MART, DENNEY'S, THE MALCO.

PLEASE CALL IF YOU NEED MORE INFO.

THANKS,

DALE PATE

RETAIL SERVICES DIVISION ♦ 100 WEST 31ST STREET, NEW YORK, NY 10001 ♦ (212) 244-8780

Keep
quotes Lincoln

"Fellow
citizens we
cannot escape
history"

we of this
congress & this
admin will be remembered
in spite of ourselves ...

the world does not forget
what we say ...
we assure
freedom to
the free."

I heard
the American
dream used
by
Kennedy Bush
Reagan
Bush
Clinton
Bush

(Grossman/Simon)
May 13, 1992
Draft One
IMRA

PRESIDENTIAL VIDEO: INTERNATIONAL MASS RETAILERS ASSOCIATION
ROOM 459
MAY 18, 1992

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IMRA [IM - rah] represents the overwhelming majority of the nearly $170 billion mass retail industry -- the strongest segment of overall retail. Recent retail stats paint a picture of an economy on the rise. I have faith in this recovery -- because I have faith in people like you. <u>All</u> of you have earned your stars in turning this economy around.

This President and this Administration stand committed to this growth -- you can count on it. And I personally appreciate the strong support IMRA has announced -- support for my economic growth package announced in my State of the Union address, support for my regulatory reform initiatives, and your support for our civil justice reforms that are in the Access to Justice Act of 1992.

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Barbara joins me in congratulating all of you on your successful convention in beautiful Florida. Thank you, God bless you, and God bless the United States of America.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 19, 1992

REMARKS BY THE PRESIDENT
IN ADDRESS TO NATIONAL RETAIL FEDERATION

Room 450
Old Executive Office Building

3:03 P.M. EDT

THE PRESIDENT: Let me first salute Lamar Alexander -- most of you know who he is -- our Secretary for Education. But as we're trying to literally revolutionize American education -- give kids a real break, give them a shot at excellence -- why, I can't tell you how grateful I am to have him as Secretary. And he's doing a superb job.

Tracy, President, thank you for having me here. And to Joseph Antonini, I salute him, our Chairman. And thank you all very much for coming.

I gather Pat Saiki has been here, right, or has she?

MS. MULLINS: She spoke to us this morning.

THE PRESIDENT: Yes. I want to say about Pat, when this problem broke out there in Los Angeles, she took that SBA and really rose to the occasion. And I think she's really trying to help in that field. And, of course, what they're doing, SBA, across the board, I hope, is beneficial in many ways to all business people in this country.

But, as you know, these riots out there left a large number of retail operators and a lot of small businesses devastated. What happened in the Korea community, where it was particularly concentrated, was just horrible -- and, of course, all communities. But Pat did respond very swiftly. The SBA and then, also, FEMA, the Federal Emergency Management Agency, made massive resources available. The Federal Home Loan Bank is going to offer an additional $600 million to finance the rebuilding of homes and businesses there. And then we have a special task force to cut the red tape and to make sure that these businesses get the help that they deserve in record time.

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The housing initiative is known as HOPE -- that's Home Ownership for People Everywhere. We get hit saying, hey, we ought to try some new ideas. We said this is a new idea. It really hasn't been tried. It's a proposal we've had out there. But I happen to feel that dignity comes with owning your own home an awful lot of the time. And so we're going to press, and I think Congress now will be much more receptive to that.

Education reform Lamar will talk about. But in terms of meeting medium- and longer-range objectives, therein lies the answer. These kids have got to be educated. They have got to understand that gang warfare is no substitute for jobs. And so we're putting an awful lot of stake on trying to get through now the education program that I'm sure Lamar will describe to you.

Welfare reform -- you've got to be careful that you put it forward in a very constructive way. And that, again, is what we're trying to do. I read the case of the family the other day where a little girl had managed to save pittance, her mother being on welfare and the welfare law was such that she couldn't save anything beyond $1,000. That seems to me to be counterproductive. So we're trying to make reforms there, as well as reform the -- permit the states to try new things through what we call the waiver process -- give waivers to the states from the existing guidelines and let them try innovative answers, whether its learnfare or workfare or whatever it is. So this one is important. Again, it transcends just Los Angeles, but it's a national thing.

Strong job training programs for young people is a very good one. And we've got Job Training 2000, which is like a one-stop shopping for all the federal agencies to come together and help on that one.

And then the enterprise zones approach. I was amazed, but in everyplace I went -- both there in South Central, in the Korean community and then in Pittsburgh and in Philadelphia -- there's an idea which really has unanimous support now. And so I am very hopeful that this enterprise zones concept that passed the Congress -- not in the form we wanted, but that passed the Congress -- will be enacted into law. It will bring private capital and jobs to the neighborhoods. It will act like a magnet, giving businesses a break to locate in these tough areas. And, obviously, if it didn't work and wasn't productive, they wouldn't stay. But at least it's an idea that needs to be tried.

Now, on your business. I know the retailers have not had it easy. You've been through some tough times, as have many other sectors of the economy. I think there are reasons to be encouraged overall. In the first quarter of this year, retail sales were up by, I'm told, a strong three percent. And I want to tell you that we are going to try to everything we can from here to ensure that the growth continues.

It's odd, I just saw some new surveys, and the American people still feel the economy is getting worse, even though most economists now and most business people are saying, hey, it's beginning to move. And I think you'll see some growth figures that confirm that. But there's a psychological -- a confidence problem out there that I'm sure adversely affects some of your interests -- some of your business. I think that can turn around now and I think it will turn around.

And we are going to try to oversell where the economy stands, but at least try to gun down some of this pessimism you get on the top of every news broadcast across this country. I mean, they don't -- there's never -- when a statistic comes out that's favorable, somebody finds a bad one to offset it with or trying to put a bad spin on it. But I believe things are beginning to move.

And I think most people in the country feel that way. And I hope that that is immediately felt in the retail business.

In Washington, clearly, we've got to get our own house in order. We have proposals before the Congress now that really would help with the federal deficit. We are not going to get the deficit down until we cap the growth of -- you don't have to cut -- but cap the growth of the mandatory programs. And there's no other way to do it.

We've done fairly well by capping the discretionary programs. But we've got to get discipline back. And that leaves me to ask for your support for an idea that I've long been for, advocated it in campaign after campaign, but that we may have a chance to get through Congress now, and that is the balanced budget amendment. It will have to be phased in -- it can't be done overnight. But it can be phased in. And I really think it would discipline not just the Congress, but any executive branch -- ours or subsequent executive branches. And I would like to ask your support on that because that's beginning to churn around in the Congress right now.

Secondly, we are going to continue to go after red tape, reduce federal red tape. It acts as a straight jacket. I was in business once and I remember having to get -- that was way back in the '50s and '60s -- and I remember the pain it was to have to go to several agencies to get permits to go out and do our business. So we are trying to simplify all that now, recognizing that every dollar you spend conforming to some government mandate is a dollar that you could spend in some way making sales to your customers more efficient or reducing costs or whatever.

And as you may know, we have a moratorium now on new federal regulations. It has been successful. And now we've renewed it. We're speeding up those regulations that encourage growth. And wherever possible, we are actually cancelling regulations that needlessly burden business.

I have certain responsibilities for safety, for the environment, but I am convinced that up until now we've not found -- government hasn't found the proper balance. And we are really working at this problem and I hope that we can prove to you that the days of overregulation are just exactly that, that they are over. But if you get examples from your businesses where that is not true, please call them to our attention and let us try to help with this bureaucracy out there where we have to fight to hold the line against the excesses of regulation.

The IRS, just by way of example here, at our direction has issued new rules to simplify the payroll tax system. And those new rules are really going to reduce -- significantly, I might say-- the payroll costs of businesses. We're launching an experimental program that will let employers make tax payments electronically. And there is no reason why you should waste time and money doing paperwork for the U.S. government.

And I also understand how crucial trade is to the growth of your area -- this is a whole other point. In fact, I believe it is crucial for every American. Our economic success at home depends on our economic success abroad. We can no longer pull back in isolation or into protectionism. We simply can't do it. There are some bad politics in it. Maybe there are some good politics. I know there's good common sense in this approach I've outlined.

I really appreciate what you all have done on behalf of the North American Free Trade Agreement. And I am convinced that it is in the interest of the American worker to get that agreement passed. And when we get it, and I am confident we will, we're going

to have created a $6.5 trillion market with the North America Free Trade Agreement -- $6.5 trillion market -- one of the largest of the world.

And also on the GATT Round, we're moving forward there. It's difficult -- the hangups -- I won't burden you with all the details, but I'm telling you it's like pulling teeth getting the GATT Round completed. But a successful GATT agreement could pump more than $5 trillion into the global economy over 10 years. And our share of that promises to top $1 trillion. And that means, obviously, more and more better jobs for Americans. I think it means better service for your customers, too, and I think it means better prospects to make your businesses grow. I think the consumer is helped here by prices being reasonable and more repetitive.

Now, I am committed to both the NAFTA and GATT Round conclusions. And some call this trade policy optimistic, and in a sense, I think they're right because I am optimistic about this country. I refuse to be one of the pessimists when it comes to where we stand in terms of the future. And the creativity and the energy and the enthusiasm of the members of this organization are just the best possible rebuttal to the pessimists.

So with your help I think we can demonstrate, as we're coming out of this slow infinitesimal growth period, that we've got plenty to be grateful for and that there's plenty of opportunity out there. And the retailers have been in the lead for many sensible fiscal proposals up there on Capitol Hill, and this is a good opportunity just to say thank you from the bottom of a very, very grateful heart.

And thank you for being with us today. And now I will turn the program either to the chairman or to the other president, depending how we want to do all of this. (Applause.)

END 3:14 P.M. EDT

National Retail
FEDERATION



ANNUAL REPORT

Why a Federation?

The National Retail Federation is the single retail trade organization which speaks with one voice for virtually the entire spectrum of the industry. By bringing under the Federation umbrella associations which have members in most lines of the retail business, and associations in all 50 states and the District of Columbia, the Federation represents an industry which encompasses over one million U.S. retail establishments, employs nearly 20 million people and registered sales in excess of $1.8 trillion in 1990. The NRF also has a sizable international membership of 1,000 stores in 50 nations abroad.

Dan Tao
783-7971

Mission Statement

The National Retail Federation is the Retail Industry's Largest Advocacy Organization Which Influences the Development and Content of Legislation and Public Policy Affecting Retailing and the Consumer and Advances the Retail Industry Through Professional Seminars, Trade Conferences, Publications and Educational Activities.



Chairman's Message

It has been suggested that the basic measure of success for business in today's economic climate is that it has managed to survive. The wise — and, ultimately, successful — retailer survives by using every useful tool available. And one tool which increases in value in tough economic times is membership in the National Retail Federation.

As you read through this Annual Report, you will be reminded of the many ways the NRF has been responsible for protecting your business interests. Perhaps it's been through key amendments which minimize the impact of government intrusion in your company's daily operations. Or perhaps you derived some benefit from attending an industry meeting and exchanging information with peers about new cost saving solutions to business problems.

William R. Howell

Chairman and CEO

J. C. Penney Company, Inc.

Chairman of the Board and

Chairman of the

Executive Committee

National Retail Federation

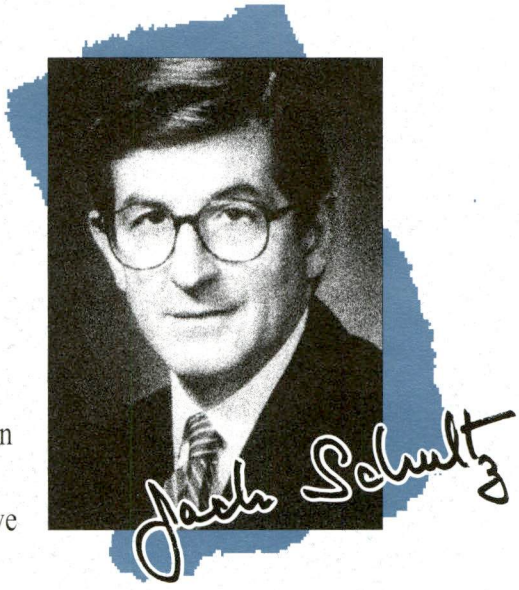
You will see in this report how the Federation has positioned its members to succeed in tough times. Effective representation, access to governmental decision makers and to experts in virtually every phase of retail operations, immediate information on industry trends — these are only a few of the benefits provided by the NRF which help you to improve your productivity and profitability.

Tough businesses survive tough times. Your active membership in the National Retail Federation is key to your success as you look to survive — and, we trust, to prosper — in the coming years.

1991: Year of Crisis – Year of Achievement

John J. Schultz
Executive Director
National Retail Federation
President
Retail Services Division

The year just ended has been one of tremendous uncertainty and challenge for retailers. As 1991 began the nation faced war in the Persian Gulf, and few Americans felt confident enough about our long-term economic outlook to be vigorous consumers. That caution lasted throughout the year. And compounding the troubles which accompanied this year of economic uncertainty were governmental actions — and inaction — to make the daily operation of busiess more difficult.



The specter of increased taxes was with us daily, as the Congress searched for new revenue sources to fund necessary programs. Each new proposal was analyzed by NRF staff and members, so that the impact of these proposals on retailing and on consumers could be communicated to legislators.

Strong retail support for the successful conclusion of the GATT negotiations and a new North American Free Trade Agreement was urged through an aggressive campaign mounted by NRF's international trade arm, the Retail Industry Trade Action Coalition (RITAC). RITAC undertook a vigorous lobbying and media campaign with retail involvement at the most senior levels. Other legislative efforts to restrict open markets occupied much of NRF's time and were forcefully and successfully opposed.

The passage of a civil rights bill requiring radical changes in retail operations challenged NRF to develop a retail-specific manual and series of seminars to help retailers come into compliance with the new law and avoid costly litigation. Both the manual and seminars have received high marks from satisfied — and relieved — retailers.

Finally, the industry was faced with the equivalent of a "Saturday night massacre" when the Senate, in response to an off-hand remark by President Bush, voted overwhelmingly to place a cap on credit card interest rates. The action, coming late one

Tracy Mullin

President

Government and

Public Affairs Division

National Retail

Federation



night at the end of the legislative session, provoked a swift and thunderous reaction from an already-beleaguered retail community. The message to Capitol Hill was a clear and resounding *"No!"* And the message was carried by retailers of all sizes from all segments of the industry and by the strong grassroots network of the state and national retail associations. Clearly, it was a textbook case of an effective campaign — culminating in victory — one which is only possible when a structure such as the NRF's is in place.

This difficult economic climate impacted on the *NRF Retail Services Division* as well as on our own members.

A re-organization was instituted at NRF to reduce expenses, to re-train staff, and to develop long-term strategic plans for the Federation. The goal is to provide more relevant and significant member services and programs.

The conferences and exhibitions which provide NRF members with a forum for idea exchange, exposure to winning business strategies, and to the technologies that will ensure our future success as an industry are currently undergoing significant re-evaluation, re-structuring and re-focusing to address member-expressed needs. It is these conferences — currently providing 45 percent of NRF revenues — that offer the single greatest opportunity for *incremental* revenue generation to the Federation in the future.

In 1991, conference attendance, for the most part, held its own or improved, underscoring both NRF's success in understanding and re-orienting our programs, and this industry's recognition of the rapidity with which change is affecting us.

Retailers set new records for active participation in NRF activities this year, and that participation has generated a level of excitement and commitment among the staff to achieve even more for the industry in 1992. We look forward to working with you next year.

Annual Convention and Exposition

The 80th NRF Annual Retail Industry Convention, the largest gathering of retail executives in the world, provided the opportunity for NRF members and staff to identify issues and trends which would create challenges for retailing in 1991 and to develop plans for NRF's public policy agenda and educational programs throughout the year.



Convention attendees were able to purchase the latest NRF publications covering a wide range of subjects at the Annual Convention bookstore.



Harwell Proffitt, Chairman of the Executive Committee, Proffitt's, Inc. and Leo M. Rodgers, Jr., President, Balliet's, Inc., got a personal view of the press and its political agenda from Hodding Carter, host of the PBS show "Capital Journal," who addressed attendees of the Curtain Raising Luncheon.

Thousands of executives from retailing, as well as service and vendor firms, attended the four-day convention and exposition, held in January in New York City. More than 65 sessions, developed by NRF's Retail Services Division, featured over 200 experts speaking on virtually every aspect of retailing of interest to both large national chains and small independent stores. A series of open-ended roundtable discussions gave retailers an opportunity to discuss common problems and to identify issues and trends of particular importance to future planning efforts.

The NRF Board of Directors, holding its semi-annual meeting, devoted considerable special attention to discussion of national public policy issues. Reacting to assessments, developed by NRF's Government and Public Affairs staff, of legislative and regulatory activities which would impact the daily operation of retailers' business or the national or international economic climate, the Board agreed to the legislative priorities of the Federation for 1991. Clear emphasis was given to efforts to strengthen the weak economy, ensure greater access to free trade in open markets, and provide positive leadership in developing a program to provide affordable, quality health care to all Americans.

Distinguished retailers were honored at the 1991 Annual Convention. The 1991 NRF Gold Medal,



Over 500 retailers attended one convention session forecasting the economic outlook for retailing.

retailing's most prestigious award, was given to Marvin Traub, Chairman of Bloomingdale's.

Others who were honored were Jorgen Basse, Chief Executive Officer, Magasin du Nord, Copenhagen, Denmark, who received the International Award, and David A. Horr, President and Treasurer, Marting's Department Store, Portsmouth, Ohio, who was presented the Independent Retailer of the Year Award.

The Federation also awarded Silver Plaques to Fred Hamacher, Vice President, Compensation and Benefits, Dayton Hudson Corporation and to Sumpter Priddy, President, Virginia Retail Merchants Association.

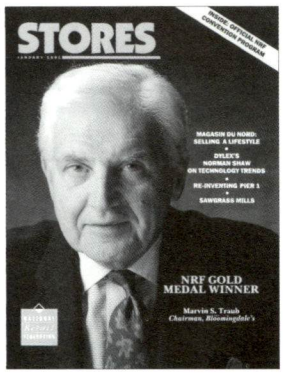
Work began early in 1991 to prepare for NRF's 81st Annual Convention in January 1992, slotted to be one of the strongest in years. Seventy CEOs, chairpeople and presidents, among others, will explore strategies, technologies, and operations to bolster the industry. Special programs have been created, including:

- Visions and visionaries exploring the economic, governmental, global, technological and sociological dynamics which will reinforce and re-direct the retailing industry.

- Five days of "nuts and bolts" sessions on sound business-practices for the independent and smaller retailer, virtually a conference within the convention.

- Two and a half days for international retail members which will provide a concise overview of the United States' retailing scene.

- Retail Directions Exposition, the marketplace for tomorrow's technology, equipment, systems and services.



1991 NRF Gold Medal recipient was Marvin S. Traub, Chairman, Bloomingdale's.



Fred Hamacher, Vice President, Compensation and Benefits, Dayton Hudson Corporation, was congratulated by Dayton Hudson Chairman and CEO Kenneth Macke, on being presented the NRF Silver Plaque.



NRF's 1992 Annual Retail Industry Convention and Exposition will focus on new ideas and strategies to deal with the challenges of the nineties.

Government and Public Affairs Division

1991 Washington Leadership Conference



President George Bush greeted NRF Chairman William R. Howell and NRF President Tracy Mullin before addressing Federation members.



United States Trade Representative Carla S. Hills shared a light moment with NRF Chairman Howell and Donald G. Fisher, Chairman and CEO, The Gap, Inc., prior to her dinner address.





Citicorp Establishment Services hosted 150 attendees at dinner at the Mexican Cultural Institute, while The Washington Post Company sponsored the evening's cocktail reception. Left, K mart Chairman, President and CEO Joseph Antonini thanked Thomas Ferguson, President, The Washington Post Company. Right, Citicorp Establishment Services executives Phil Carter and Bob Horan were the evening's hosts.

The 56th Annual Washington Leadership Conference clearly upheld the tradition of providing NRF members the opportunity to discuss major legislative issues of concern to the retail industry with leaders of government at the highest levels. Over 130 retail chief executive officers and senior retail executives attended this year's conference, held May 22-23.

The centerpiece of the event was a meeting in the White House briefing room with President Bush, who publicly thanked NRF and its members for their major contribution to ensure that his Administration be granted fast track negotiating authority to complete the critical Uruguay Round of GATT trade negotiations. The Congress, due in large part to efforts undertaken by NRF members, had voted to grant the President the authority only the evening before the Presidential briefing.

NRF members also enjoyed a reception and dinner at the elegant Mexican Cultural Institute at which they were greeted by His Excellency the Ambassador of Mexico and heard an after dinner address by Ambassador Carla Hills, the U. S. Special Trade Representative.





Labor Secretary Lynn Martin (left) and Democratic House Leadership member Rep. Vic Fazio of California presented opposing points of view on legislative initiatives.

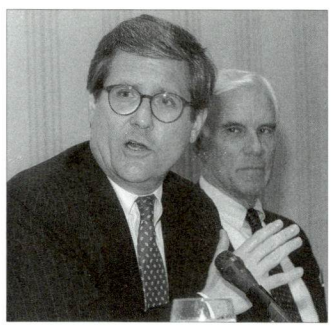
Labor Secretary Lynn Martin discussed the Administration's efforts to fashion new pension legislation and to undertake a "glass ceiling" initiative in the workplace. Rep. Vic Fazio (D-CA), fifth-ranking member of the House leadership, briefed attendees on political and legislative items.

House Ways and Means Committee Chairman Dan Rostenkowski (D-IL) was guest speaker at the NRF Board of Directors meeting, discussing with Board members the potential for tax legislation in the 102nd Congress. And attendees were treated to a lively exchange between conservative journalist Fred Barnes of *The New Republic* and liberal writer and commentator Juan Williams of *The Washington Post.*

In addition, numerous board and committee meetings were held during the two-day session, notably the Independent Stores Board and the Federation's Government and Legal Affairs Committee.



House Ways and Means Committee Chairman Dan Rostenkowski (D-IL) discussed possible congressional action on tax measures at the NRF Board of Directors meeting.





Conservative commentator Fred Barnes of *The New Republic* and liberal journalist Juan Williams of *The Washington Post* provided a lively interchange on economic, political and social issues at a panel session moderated by Charles H. Reynolds, Jr, Chairman, Reynolds Brothers, Inc.



NRF President Jack Schultz led a discussion of NRF services at the meeting of the Independent Stores Board of Directors.

Tax and Budget Policy

The 102nd Congress opened on a sour note with members on both sides of the aisle keenly aware that the tax and budget debate would continue to be waged in sometimes strident tones as the general economic outlook was grim. Few were predicting that the recession would end before mid-year, and most in Congress were forced to admit that the economy could not begin to grow without bold and comprehensive action on the part of government leaders. But bold initiatives would require courage, leadership and cooperation between increasingly partisan Republicans and Democrats, and political courage and leadership were in short supply.



South Dakota Democratic Senator Tom Daschle, a member of the Senate Finance Committee, addressed the NRF Taxation Committee at a dinner preceding its October meeting in Washington.



Another Senate Finance Committee member, Senator David Pryor (D-AR), was flanked by NRF President Tracy Mullin and Frank Gunter, Vice President Taxes, May Department Stores Company, Inc., and Chairman of NRF's Taxation Committee, as he engaged in an informal and candid exchange of views with members of the Committee.

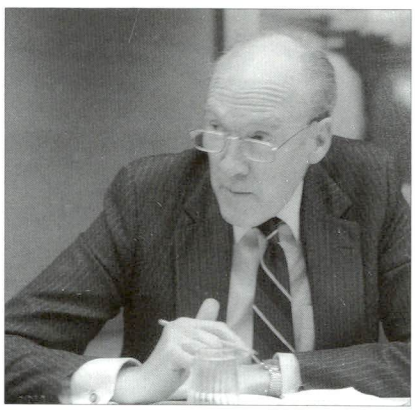
The specter of the 1992 national elections influenced debates and public declarations from Capitol Hill and the White House throughout the year. The disenchantment of the American public with its leaders' ability to halt the recessionary spiral, create new jobs, and begin to bring the deficit under control threatened to impact not only the presidential election, but congressional races as well. And the voters continued to send a strong message to elected officials that they would not tolerate tax increases.

The Omnibus Budget Reconciliation Act, signed into law in 1990, set new rules for a five-year deficit reduction target that had been a common goal of the budget negotiators. As a result, Congress was forced to adhere strictly to the "pay-as-you-go" terms of the budget agreement and the Congress cast about for other possible revenue sources which might be tapped without inflaming voters' anger. Increasing the corporate income tax rate, limiting the deductibility of advertising expenses, and setting new luxury excise taxes on consumer electronics were three items given serious consideration prior to final congressional approval of the 1990 budget package. Each would have a direct negative impact on retailing. Yet, while 1991 was characterized by substantial public posturing over the need to address the deficit and the desire of some in

Congress to give middle class voters a tax break, none of the many measures introduced managed to gain approval.

In the last days of the session, Congress approved a six-month extension of the targeted jobs tax credit to give employers of hard-to-place workers a tax credit of up to $2,400 for a first-year employee. The credit will expire June 30, 1992, but further extension will likely be considered in the second session.

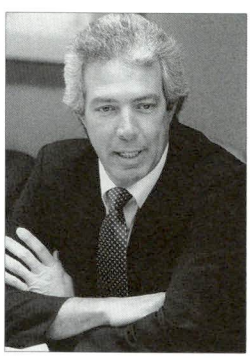
The Congress managed to have signed into law only one major piece of tax legislation — a bill to extend unemployment insurance benefits to jobless workers whose original benefits had already run out. The effort to get this bill enacted was characteristic of the current political situation; President Bush rejected two measures before finally signing a third bill. The action took over six months to complete.



Senate Assistant Minority Leader Alan K Simpson (R-WY) discussed the politics of enacting tax and budget initiatives in the 102nd Congress with members of the NRF Government and Legal Affairs Committee (GALA) at one of its monthly meetings.

The Outlook for 1992

As Congress adjourned for 1991, the outlook for the end of the recession was uncertain and President Bush's popularity was in a downward spiral because of failed leadership on domestic and economic issues. Thus, the second session of the 102nd Congress is likely to focus on a variety of tax and budget issues in an effort to pass an economic stimulus package. Both the Democrats who control the Congress and Republicans who generally have supported the President's economic program desperately need to show evidence of leadership before facing the electorate. In 1992, retailers are likely to see a repetition of last year's threats as the search for additional revenue sources to fund domestic programs and reduce the federal deficit continues.



House Ways and Means Committee member Rep. Marty Russo (D-IL) set forth the committee's agenda for the remainder of the session at an NRF Gala Committee meeting.

International Trade

In 1986, trade ministers and representatives from 92 countries around the world met in Punta del Este, Uruguay, and agreed to begin a new four-year round of multilateral trade talks under the international treaty known as the General Agreement on Tariffs and Trade (GATT). Since that time, preliminary meetings have been underway on a variety of issues, including phasing out the Multi-Fiber Arrangement (MFA) which governs textile and apparel imports. Intensive negotiations have taken place since the summer of 1990 and continued throughout 1991.

For retailers, the Uruguay Round presents a real opportunity to gain a freer textile and apparel trading regime. NRF and its trade arm, the Retail Industry Trade Action Coalition (RITAC), have played a pivotal role in the effort to phase out the MFA and assure a swift and successful completion of the Uruguay Round.

RITAC has also actively worked for a successful negotiation of the North American Free Trade Agreement (NAFTA), which would provide retailers substantial new freedom in sourcing within Mexico. RITAC representatives have enjoyed unprecedented participation in the numerous Uruguay Round and NAFTA negotiating sessions and RITAC continues to encourage other retail companies to become more actively involved as cleared advisors to the talks.

Retailing had several key, but hard-fought, legislative victories in the area of international trade in 1991. The early months of the year were spent lobbying members of Congress to grant President Bush "fast track" negotiating authority for implementing trade agreements so critical to the successful conclusion and implementation of the Uruguay Round and the North



Senator Phil Gramm (R-TX), one of the Congress's chief advocates of free trade, discussed major trade objectives with members of the Retail Industry Trade Action Coalition (RITAC) Executive Committee at its July meeting.



Deputy Under Secretary of State for Economic and Agricultural Affairs Michael Young addressed the RITAC Executive Committee as RITAC Chairman Leslie H. Wexner, Chairman of the Board and CEO, The Limited, Inc., listened intently.



Ambassador Ronald Sorini, Deputy U.S. Trade Representative, discussed the Bush Administration's strategy for concluding the Uruguay Round of GATT negotiations with members of the RITAC Steering Committee.

American Free Trade Agreement. NRF, through RITAC, mounted a massive grassroots effort and organized the broadest possible coalition in support of the extension of fast track authority.

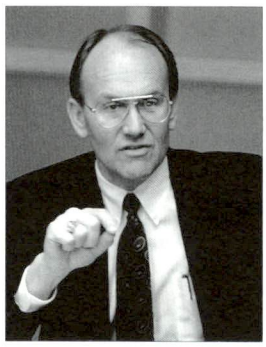
Despite a major lobbying and publicity campaign in opposition to fast track extension carried out by organized labor and other protectionist allies, we were successful in gaining Congressional approval. President Bush personally credited retailers as being vital to the success of the effort when he briefed participants at NRF's Washington Leadership Conference in May.

Another issue which commanded RITAC's attention in 1991 was the extension of Most Favored Nation (MFN) status for China, which met strong opposition in the Congress. Because of problems in U.S. relations with China over human rights violations, weapons proliferation and trade frictions, a number of bills were introduced in both the House and Senate which would attach rigorous conditions to extension of MFN.

China is one of the top suppliers of footwear, textiles, apparel and toys to the United States. Therefore, loss of MFN status would dramatically increase the cost of goods from China and would have a significant adverse impact on the price and availability of goods which retailers offer consumers. But many members of Congress view the extension of MFN status to China more as a political than a consumer issue. The House underscored the political nature of the issue when, in the closing hours of the last congressional session, they voted 409 to 21 to impose specific sanctions on Chinese trade with the U.S. This overwhelming vote was viewed as a signal to the Chinese that they must mend their ways before the Congress will be willing to extend China's unconditional MFN status. The issue is certain to resurface as the 1992 elections approach.



Rep. Tim Penny (D-MN), right, thanked retailers for their past support at a fundraising breakfast RITAC hosted in his honor. House Ways and Means Committee Chairman Dan Rostenkowski (D-IL), center, made a guest appearance on Rep. Penny's behalf. RITAC Steering Committee Chairman James Hale, Senior Vice President, General Counsel, Dayton Hudson Corporation, introduced his fellow Minnesotan at the event.



Senator Larry Craig (R-ID), a key ally on trade legislation, spoke to the RITAC Steering Committee about trade issues at a monthly RITAC meeting in Washington.

Labor and Human Resources



Rep. Austin Murphy (D-PA), Chairman of the House Labor Standards Subcommittee, was featured speaker at the NRF Committee on Employment Law's semi-annual spring meeting.



David Nexon, Majority Health Counsel to the Senate Labor and Human Resources Committee, discussed pending health care initiatives as NRF President Tracy Mullin and Charles Lotter, General Counsel, J.C. Penney Co., Inc, NRF GALA Committee Chairman, listened.



NRF's Task Force on Health Care Reform held its initial meeting to examine pending legislation, discuss common ground and develop a set of principles which will form the framework for the NRF's position on health care reform.

Once again, workplace issues occupied priority attention as Democrats revealed their agenda for the 102nd Congress. Of the first five bills introduced in the new session, three were labor measures, signaling the leadership's intention to push for significant gains in this legislative area. The civil rights legislation, which President Bush had successfully vetoed in the 101st Congress, came roaring back to stoke the rhetorical fires over the issue of quotas. On the heels of civil rights the now-perennial family and medical leave legislation was reintroduced, despite clear signals that the President would not sign a bill mandating family leave. The bill has been continuously modified in an effort to gain sufficient votes to preclude a successful veto. It will be a high priority issue in 1992.

A new issue, the primary objective of organized labor, was striker replacement legislation which would deny employers the right to permanently replace striking workers during a walkout. Another solid labor issue gaining committee approval late in the session is a measure to require employers to notify employees when they are being monitored in the workplace. And the debate over how to resolve the nation's health care crisis spawned a staggering number of bills ranging from national health insurance measures to 100% deductibility of health insurance premiums for small businesses.

All the debate was not limited to Capitol Hill, however, as regulators at the Justice Department, the Equal Employment Opportunity Commission and the Architectural and Transportation Barriers Compliance Board attempted to formulate regulations which fairly implemented the legislative intent of the recently-enacted Americans With Disabilities Act.

Civil Rights Act

The three-year struggle over legislation to overturn a series of Supreme Court decisions and make it easier for workers to sue for discrimination or harassment in the workplace came to a sudden end in October when the President, in a stunning reversal, stated he would

sign a compromise civil rights bill. The new law, which is still likely to encourage litigation, only partially addressed retailers' concerns by placing caps on previously unlimited compensatory and punitive awards available to plaintiffs. Moreover, despite the Bush Administration's assertion that "this is not a quota bill," the language of the new law will likely force employers to meet numerical quotas in an effort to avoid charges of discrimination.

Americans With Disabilities Act Regulations

With enactment of the ADA in August 1990, the real task became interpreting the bill's many unfamiliar or unclear terms in practical terms and fashioning regulations to preserve the law's spirit without unnecessarily burdening businesses attempting to comply with the law. For retailing, the burden of meeting the bill's requirements for employment and public accommodation is enormous. NRF took an active role, testifying before the three relevant governmental agencies and presenting pragmatic recommendations for improving the regulations to allow retailers to successfully employ and accommodate the disabled.

Upon release of the regulations, NRF offered compliance seminars in San Francisco, Dallas and Washington, DC and developed a retail-specific compliance manual which is currently available to members.

Mandatory Employee Health Insurance

In an attempt to more positively impact the longstanding debate on national health insurance, NRF assembled a Task Force on Health Care Reform which held the first in a series of meetings in October to begin to formulate a set of principles which retailers could support in an effort to provide access to health care for all Americans. The group acknowledged that a serious health crisis exists and that the retail industry must be proactive in providing leadership on this critical issue on Capitol Hill and in all other appropriate forums.



NRF Vice President Steve Pfister testified before both the Architectural and Transportation Barriers Compliance Board and the Justice Department to put forth retailing's concerns about vague language and overreaching requirements of the newly-passed Americans With Disabilities Act.



Gordon Segal, President and CEO, Crate and Barrel, presented testimony before a Justice Department panel in Chicago which pointed out problems of complying with the Americans With Disabilities Act specific to retail stores.



John Wodatch, Director of the Office of Americans With Disabilities Act, U. S. Department of Justice, discussed his department's efforts to formulate broad and fair regulations and enforcement procedures at one of the NRF-sponsored seminars on the ADA.

Credit Legislation

Credit unexpectedly became a burning issue for retailers late in the legislative session when an unwitting remark by President Bush that he would "like to see credit card rates come down," prompted Senator Alfonse D'Amato (R-NY) to offer an amendment to the Senate banking bill capping credit card rates at four percent over the Treasury insufficiency rate. The move would have effectively made the top rate 14% at the time the amendment was offered. NRF immediately mounted a vigorous grassroots lobbying and media campaign, with unprecedented involvement by retail chief executive officers and strong support from NRF's member state and national retail associations. The effort was successful in preventing the rate cap amendment or any study which could automatically trigger a rate cap from being adopted.



Ralph E. Spurgin, President and CEO, Limited Credit Services, Inc., testified on NRF's behalf before a House committee on legislation amending the Fair Credit Reporting Act.

In earlier action on credit issues, Ralph E. Spurgin, President and Chief Executive Officer, Limited Credit Services, Inc., testified in the House of Representatives on behalf of NRF on legislation amending the Fair Credit Reporting Act which would place new costly and overreaching compliance obligations and impose civil liability on retailers who furnish customer payment information to credit bureaus. Calling the amendments unnecessary, Spurgin urged that they not be adopted.



Peter R. Fisher, Executive Vice President - Credit Merchandise Group, Sears, Roebuck and Co., presented testimony before a Senate subcommittee on consumer bankruptcy, offering suggestions for positive reform of the Bankruptcy Code.

Also in June, Peter R. Fisher, Executive Vice President - Credit Merchandise Group, Sears, Roebuck and Co., testified for NRF before a Senate subcommittee on consumer bankruptcy. Fisher outlined the significant recent increase in consumer bankruptcies and its effect on retailers. He offered specific recommendations for reform of the Bankruptcy Code to target abusive bankruptcy filings and offered suggestions for procedural changes which would ensure that creditors have adequate information with which to act when a debtor files for bankruptcy.

In October NRF presented testimony on the Consumer Credit Reporting Act before a House subcommittee. Appearing on behalf of NRF, John V. Skinner, President and Chief Executive Officer, Jewelers Financial Services, Inc., a subsidiary of Zale Corporation, stated NRF's opposition to the measure, which would create substantial compliance obligations and impose major civil and administrative liability on credit grantors. Such action, Skinner asserted, would be an unnecessary and unwarranted departure from current longstanding policy, and should be rejected.

NRF also submitted statements to the House Banking Committee on other credit matters, notably proposed changes in credit card disclosure requirements, and to the Senate Banking Committee as part of its oversight hearings on the Fair Credit Reporting Act.

1992 is likely to see a refocusing on the issue of credit card interest rates, with Congressional hearings expected early in the year. In addition, efforts to amend the Fair Credit Reporting Act to require credit grantors to provide new disclosures could resurface. All in all, the second session promises to be very active on the credit front.



NRF expressed its opposition to changes in the Consumer Credit Reporting Act which would adversely impact retailing in testimony delivered by John V. Skinner, President and CEO, Jewelers Financial Services, Inc., a subsidiary of Zale Corporation.



CBS arrives in Portsmouth

Horr featured in morning television show

By PAUL F. NELSON

Retailers oppose rate limits

The massive lobbying effort to defeat an amendment to cap credit card interest rates included substantial media contacts to mount grassroots support and action.

Retailing and the Environment

In response to growing public concern about environmental issues, the NRF's Clean Environment Committee established a task force to develop a national policy on packaging and solid waste for the retail industry. The Task Force released its policy statement in late 1990, outlining five basic strategies for managing the solid waste "stream." They are: source reduction, reuse, recycling, composting and disposal.

The policy statement is being used by NRF and its member companies and associations as a resource in developing an industry response to legislative proposals at the federal and state levels. One such federal initiative, introduced in April, 1991, would establish an eleven person Products and Packaging Advisory Board, intended to recommend ways to develop and implement a voluntary program to:

- minimize packaging in the waste stream;
- reduce the consumption of scarce natural resources in packaging;
- maximize the recycling and reuse of packaging;
- reduce litter; and
- assure that human health and the environment are not harmed as a result of the use and disposal of packaging and products.

NRF, recognizing that such legislation limiting packaging material for commercial products, or requiring retailers to become recycling centers for waste oil, batteries, cans or other products will have a direct impact on retail operations, is closely monitoring congressional activity on the bill.

In other activity, Keith Tice, National Director, Packaging and Labeling, Sears, Roebuck and Co., testified on behalf of NRF before the Bureau of Consumer Protection of the Federal Trade Commission on whether additional guidance to the public is needed





Keith Tice, National Director, Packaging and Labeling, Sears, Roebuck and Co., urged the Federal Trade Commission to work with the states, business and environmental groups to develop clear environmental claims in product labeling and advertising. Below, FTC Chairman Janet D. Steiger asked questions after hearing Mr. Tice's statement.

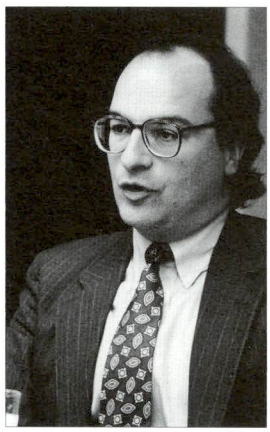
on environmental advertising and labeling and what format and scope any additional guidance should take. He urged the FTC to work with the states, industry and environmental organizations to develop one set of clear guidelines establishing definitions for environmental marketing claims to be used in the labeling, packaging and promotion of products on the basis of environmental attributes.

Finally, the NRF Clean Environment Committee met at NRF's Washington office in November to discuss current federal and state legislative and regulatory activity. The Committee also heard from invited speakers Stephen Gold of Citizens for the Environment, Daniel Weiss of the Sierra Club's Environmental Quality Program, and Rick Swigart of the Council for Solid Waste Solutions.





Presenting a variety of viewpoints on recent environmental activity to the NRF Clean Environment Committee at its November meeting were, top to bottom, Stephen Gold, Citizens for the Environment, Rick Swigart, Council for Solid Waste Solutions and Daniel Weiss of the Sierra Club's Environmental Quality Programs.



Privacy Issues

Telemarketing Fraud

Legislation not enacted in the last Congress resurfaced in the 102nd Congress which would subject many legitimate telephone business transactions to additional, unnecessary requirements and costs. Retailers have opposed such measures which allow state attorneys general and private parties to bring telemarketing action claims in federal courts.

NRF conveyed its major concerns in testimony before the House Transportation and Hazardous Materials Subcommittee in May. Also, in conjunction with other business groups, NRF established the Alliance for Proper Telemarketing, a broad-based business coalition, to lobby in opposition to the legislation and to seek modifications in the bill.



NRF Vice President and General Counsel Michael Altier testified before the House Transportation and Hazardous Materials Subcommittee in opposition to legislation which would severely restrict telephone business solicitations.

Legislation to Limit Telephone Solicitation

Wearing a mantle of protecting consumers' rights, legislation has been introduced to make it unlawful for any person to make a "telephone solicitation" to any telephone subscriber without first consulting government-mandated nationwide lists of persons who object to receiving such calls. A subsequent version of the legislation would require prior express consent of a party before such calls could be made.

NRF has actively and vigorously opposed such legislation which, while intending to prevent nuisance calls, would unnecessarily restrict and impede the normal, natural and necessary business transactions between retailers and the consumer. As part of NRF's efforts, significant modifications were incorporated into the Congressionally-approved measure.

In addition, legislation was introduced which would prohibit virtually all use of automatic dialing equipment with a prerecorded message to residential customers without prior consent of the called party. An amended version of this legislation was approved and sent to the President prior to adjournment.

NRF Congressional Reception

The NRF Government and Public Affairs Division welcomed nearly 50 members of the House and Senate as well as almost 200 NRF members, Capitol Hill staff members and other friends to a "Welcome Back" reception February 20. The evening provided an opportunity for members and staff to visit NRF's new offices, visit with retail constituents from home districts and say goodbye to retiring NRF Vice President Lee Williams. No Washington reception is complete without a modicum of political or legislative business, however, and Congressional members and staff were questioned about the year's legislative agenda.

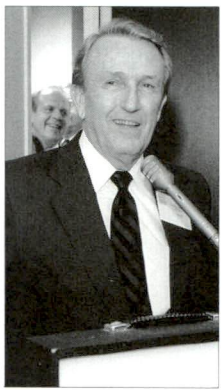
NRF members got down to serious business the following morning when the Government and Legal



Rep. David Nagle (D-IA), right, bid farewell to his longtime friend and retiring NRF Vice President Lee Williams.



Raymond Messina, Attorney, J.C. Penney Company, Inc., with second-term Congresswoman Susan Molinari (R-NY).



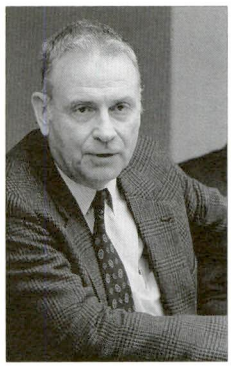
Arkansas Democratic Senator Dale Bumpers praised NRF's Lee Williams for his long years of service to government and to retailing.



RITAC International Counsel William Kay Daines, right, greeted fellow Utah native and freshman Democratic Congressman William Orton.



Barry Thomson, Senior Vice President, Administration, Woolworth Corporation, greeted a Republican member of the New York delegation, Rep. Bill Green.



Rep. Lee Hamilton (D-IN), member of the House Foreign Affairs Committee, briefed members of NRF's GALA Committee on the Persian Gulf Conflict.

Affairs Committee, the Federation's primary policy making body on legislative and regulatory issues, held its first meeting during the new Congress. Rep. Lee Hamilton (D-IN), member of the House Foreign Affairs Committee, gave GALA members a frank inside look at the Persian Gulf conflict, which was underway at the time. Rep. Hamilton, Vice Chair of the Joint Economic Committee, also addressed timely economic issues.



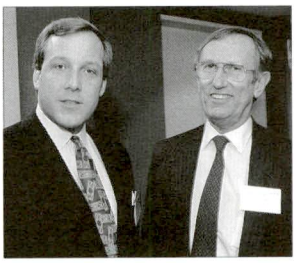
Rep. Philip M. Crane (R-IL) greeted Kelly McNamara, Vice President and Director, Federal Governmental Affairs, Dean Witter Financial Services Group.



Senator Christopher Bond (R-MO), left, was welcomed by Frank Williams, Vice President, Government and Employee Relations, of the St. Louis-based May Department Stores Company.



Rep. Austin Murphy (D-PA), left, discussed local affairs with Tom Weyant, President, Pennsylvania Retailers Association.



NRF Vice President Steve Pfister and Vermont's Republican Senator James Jeffords discussed recent events in the Senate Labor Committee while enjoying the evening.

Independent Stores

The Independent Stores component of NRF's membership comprises thousands of retail members, a key element of the NRF grassroots network. The vitality of this segment of the retail community is important to the health of the nation and serves as the barometer of its economic condition.

The Independent Stores Board of Directors met three times in 1991, in conjunction with the Annual Convention and the Washington Leadership Conference in May and again in NRF's Washington office in October. Prior to the May board meeting a dinner for the Independent Stores Board was held to provide an informal opportunity to exchange information. At the October meeting, Senator Dale Bumpers (D-AR), Chairman of the Senate Small Business Committee, joined members for an informal discussion of economic issues.

NRF was invited to participate in a small business trade mission to EC '92, sponsored by the Department of Commerce and the Small Business Administration. Daryl Routzahn, President, Routzahn's, and Vice Chairman of the Independent Stores Board, participated as NRF's representative in the four-day fact-finding mission to Brussels. Mr. Routzahn reported his findings at the October meeting of the Board.

Finally, in 1991 NRF sponsored programs on Fundamentals of Merchandising and Advanced Merchandising, geared specifically to independent stores. In addition, a full day of program sessions at the January Convention was devoted to this audience, dealing with such topics as attracting more shoppers, gross margin improvement, recruiting and retaining employees, strategic business planning, and other subjects.



NRF President Jack Schultz joined members of the Independent Stores Board of Directors when it met in May in conjunction with the Washington Leadership Conference.



Independent Stores Board members enjoyed an informal opportunity to discuss mutual concerns and developments at dinner in Washington in May.



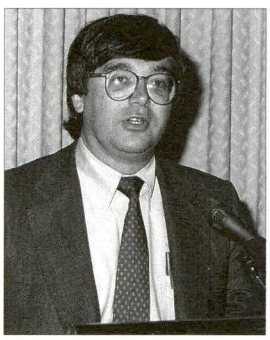
John Young, President, Gingles Department Store, introduced Senator Dale Bumpers (D-AR) at the October meeting of the Independent Stores Board.



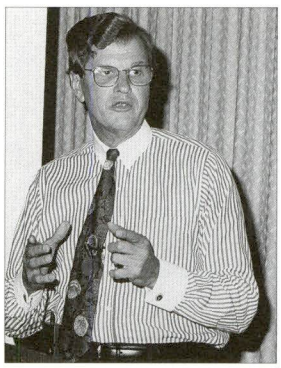
David Horr, Chairman, Treasurer and CFO, Marting's Department Stores, left, was congratulated by Kenneth A. Macke, Chairman and CEO, Dayton Hudson Corporation, upon receiving the NRF Independent Retailer of the Year Award in January.

State and National Retail Associations

Annual Conference of State and National Retail Association Executives



Nationally-known political analyst Charles Cook, author of *The Cook Report*, analyzed political races and trends.



Bernard F. Brennan, Chairman, President and CEO, Montgomery Ward & Co., Inc., presented the keynote address at the Conference.



Washington lawyer G. John Tysse alerted attendees to the many pitfalls facing retailers in interpreting the requirements of the Americans With Disabilities Act.

Newport, Rhode Island, was the scenic location for the 1991 Annual Conference of State and National Retail Association Executives, September 23-26. Over 120 corporate and association executives and spouses attended the many sessions devoted to association management topics, panel discussions on issues impacting retailers which are currently being debated at the federal and state legislatures, analysis of political trends and specific political races, industry trends and other timely topics.

The Conference highlight was a Keynote Address by Bernard F. Brennan, Chairman, President and CEO of Montgomery Ward and Co. Mr. Brennan discussed the recent strategy which transformed Montgomery Ward from a bureaucratic mass merchandising company to a profitable specialty retail merchant. The group was also addressed by Rhode Island Attorney General James E. O'Neil, by Commander William Nelson of the U. S. Naval War College and other nationally-known speakers.



Noted futurist Jeffrey Hallett challenged conference participants to rethink organizational structures which will change in the coming decade.

Noted futurist Jeffrey Hallett, principal and co-founder of the firm PresentFutures, gave conference participants a sense of how organizations, including retail corporations,will change within the decade of the 90's, and discussed the policy implications of the anticipated changes. Implications of current and future legislative and regulatory activities were examined when representatives from state and national associations and retail companies joined NRF staff to discuss federal and state initiatives in the areas of international trade, environment and health care.

This year's conference featured a charity casino night at which attendees played to win exciting prizes donated by NRF member retail companies. The premier event benefited the Guillain-Barre' Syndrome Foundation International and the Warren, RI, Rotary Club, whose members acted as guest croupiers. The lively and enjoyable evening netted over $3,000 for charity.





State and National Retail Association Executives, corporate retail executives and NRF Government and Public Affairs Division staff members presented a series of panel discussions on federal and state intitiatives in international trade, health care access and environment.





NRF President Tracy Mullin presented retiring Virginia Retail Merchants Association President Sumpter Priddy with a check to benefit the Guillain-Barre' Syndrome Foundation International at the conclusion of a charity casino night.

Other State and National Association Activities



Fellow State Retail Association Executives honored Sumpter Priddy, retiring president, Virginia Retail Merchants Association, with a dinner prior to his receiving the NRF Silver Plaque at the Annual Convention.



State and National Retail Association Executives and corporate retail executives met in Washington in March to discuss strengthening the NRF-association member relationship.





Newly-elected officers of the National Association of State Retail Association Executives are, left to right, Bill Kundrat (Florida), David Vite (Illinois), Chris Kindsvatter (Michigan) and David Dank (Oklahoma).

NRF's state retail association members, in addition to fulfilling their primary charge of protecting the legislative interests of retailers at the 50 state capitols, devoted considerable time and effort in 1991, along with the NRF member national associations, to retailing's interests at the federal level. A number of grassroots campaigns were mounted, notably on fast track negotiating authority for the President and renewal of MFN status for China in the area of international trade, civil rights and striker replacement legislation in the area of employee legislation, and in the defeat of a measure to cap credit card interest rates. The strength and commitment of the industry's grassroots, realized in its association members, is a key reason for the Federation's high regard among Administration officials and members of Congress.

In non-legislative activities, the Virginia Retail Merchants Association's retiring president, Sumpter Priddy, was honored at the January convention with the NRF Silver Plaque, awarded each year to two industry executives for outstanding service to retailing. A number of fellow state association executives joined the NRF Washington staff in honoring him at a dinner at the Russian Tea Room the evening before the presentation.

An ad hoc group of 20 state and national association executives and executives from major retail companies met in Washington in March to continue work on strengthening the NRF-association member relationship through greater cooperative effort.

Finally, at September's Annual Conference in Newport, state association executives voted to form a new professional association, the National Association of State Retail Association Executives. The group will work closely with NRF staff to share expertise in association management and legislative matters. David Vite (Illinois) was elected President, David Dank (Oklahoma) was named Vice President, Bill Kundrat (Florida) was elected '92 Conference Chairman and Chris Kindsvatter (Michigan) was named Secretary/Treasurer.

Business Services: Conferences, Exhibitions and Publications

The 1991 calendar year was a busy and productive one for the Retail Services Division. Many member programs, surveys, publications and cost-saving benefits were developed to enhance productivity.

Conventions and Meetings

Retailing's most important Annual Convention and Exposition was followed by 66 Board and Committee Meetings, more than 100 Business Advisory Meetings with smaller and independent retailers, and 21 Conferences and Exhibitions, many of which are described below:

Management Conferences

• *Financial Executives.* Focus was on general management as well as financial issues recognizing that today's CFO is a critical partner in the strategic planning and management process. An Exhibition was part of this conference.

• *Business Outlook.* This new conference helped retailers focus and refine their strategic and financial plans for the critically important fall season.

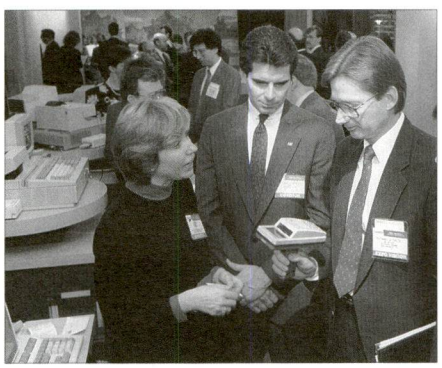
• *Credit Management.* Senior credit executives and experts explored significant industry changes, including outsourcing, credit and privacy legislation



Retail executives in session at an NRF conference enjoyed the opportunities to catch up on the latest business techniques and changes.



Technology even enhanced NRF conferences where, through advanced projection systems and TV monitoring, speakers demonstrated computer technology at work; 3-D store planning via CAD; advertising design, layout, and retouching.



Associate and retail members had the opportunity to meet, network, and learn together at the booth of an NRF business exhibitor.

and productivity issues. An extensive Exhibition was part of this conference.

• *Customer Service.* This critical industry conference explored changing customer values, the resulting new selling strategies, corporate culture-building, and effective service programs for diverse retail channels and their respective needs. Vendor workshops accompanied the conference.

Marketing/Merchandising Conferences

• *Fundamentals of Merchandising/Advanced Merchandising.* NRF conducts this on-going series during key market weeks to help owners, managers and buyers to merchandise, manage and time their inventories to minimized markdowns and maximize profits for their stores.

• *Principles of Retailing.* This comprehensive overview of how a retailing firm operates offered a brush-up for retailing executives and an introduction for executives working in consultancy roles with the retailing industry.

• *Credit Marketing.* Attendees focused on enhancing customer utilization of credit cards including offering retailers extensive new options for customer service, database marketing and profitability. An Exhibition was part of this conference.

• *Visual Merchandising.* Two conferences addressed the marketing contributions, customer-driven needs and service approaches today's visual merchandisers must understand and implement to close the sale at point of purchase.

Technology Conferences

• *RisCON.* Retailing's leading forum for technology. A conference on the systems, services, communications, hardware, software and requisite management techniques which will provide competitive advantage, in fact, survival, to retailers as they approach the 21st

Century. This conference was accompanied by NRF's second largest Exhibition, acknowledged as the best on retailing technology.

• *In-Store Systems (POS).* This conference focused on technological nerve centers that integrate point-of-sale activities, back room functions and customer service — all to improve the retailer's sales and operating productivity.

Special Subject Conferences

• *Credit Collections.* This conference covered practical, timely information on managing all phases of today's credit collection function from bankruptcy procedures to consumer rights; from technology to recession collection strategies.

• *Loss Prevention.* Conference attendees shared in-depth coverage of systems, methods, procedures, technology and training techniques to reduce inventory shortage, theft and fraud. An extensive Exhibition accompanied this conference.

• *Logistics.* Attendees learned to streamline operations, to apply quick response and EDI to distribution, as well as to execute transportation strategies. An Exhibition accompanied this conference.

• *Quick Response.* Two seminars explored the what and why of QR along with its potential applications to your business.

• *Internal Audit.* This comprehensive retail auditing conference incorporated both basic and advanced and EDP auditing, plus an audit management track to identify areas of cost reduction and strengthen internal control.



NRF covered the world to expose members to the latest services, systems, technologies and equipment which can help improve their bottom-line performance.



In 1991, thousands of retailing executives attended the 21 conferences, covering a broad range of business functions, produced by NRF's staff of retailing professionals.

Cost-Saving Benefits via Membership

SpecNet

This spectacular new program can offer NRF members up to 30 percent cost reduction on their annual voice-communication expenses.

NaBANCO

Credit card processing and authorization of MasterCard and Visa at special reduced NRF member rates.

Dodson's Worker's Compensation Program

Newly negotiated group dividend returned 10 percent to participating 1991 members.

Check Authorization

This low-cost check authorization program continues to offer NRF members a preferred starting rate and reduced start-up costs.



Studies and Publications

Studies

- Barcoding Study
- Vendor Partnership Survey
- Specialty Store Turnover Survey
- Internal Audit Departmental Operations Survey
- Quick Response Survey
- Loss Prevention Survey
- 100 Leading Department Stores
- 100 Leading Specialty Stores

Publications

- *STORES* was enhanced by a newly formatted layout and with new features that focus on key retail executives and concepts in retailing. These changes have been well received by readers as well as the advertisers who provide important support to the NRF. A publishing industry trend of declining advertising revenue began to turn in 1991 and *STORES'* January 1992 issue will close NRF's '91 fiscal year with a record breaking number of paid advertisers.
- Merchandising and Operating Results - *published annually*
- Financial and Operating Results - *published annually*
- Retail Control - *published monthly*
- Retail Sales Outlook - *published quarterly for NRF*
- Retail Technology 1992 - Directory
- Sales Release Calendar (4-5-4)
- Color/Size Standards - Directory



The smart new format and expanded business content of STORES magazine has continued to garner industry recognition. More important, the new format has generated high levels of advertiser awareness and interest in a tough advertising climate.



NRF published numerous documents that provide important industry benchmarks, standards and guidelines. Members provide the data vital to production of quality materials, then benefit from the valuable reference data and business tools that result. The annual MOR-FOR publications are a good example.

NRF Advisory Boards and Committees

Advisory Boards and Committees, staffed by volunteer member executives, are the driving force of the Federation. It is this group of executives that provides advice and direction; that lends credibility and substance to NRF; that sets the direction for all NRF functions. These Boards and Committees, including presiding chairpeople, include:

Accounting Principles
James Freeman
Vice President and Chief Financial Officer
Dillards

Clean Environment
S. William Manteria
Associate General Counsel & Director of Environmental Management
Woolworth Corp.

Credit Management
John Skinner
President and Chief Executive Officer
Jeweler's Financial Services, Inc. (Zale Corp.)

Credit Management Legislative Steering Cte.
Ralph E. Spurgin
President and CEO
Limited Credit Services, Inc.

Employee Benefits
Fred Hamacher
Vice President, Compensation and Benefits
Dayton Hudson Corporation

Employment Law
Joseph F. Vella
Vice President Employee Relations and Selling Serv.
Federated Dept. Stores, Inc./ Allied Stores Corp.

Financial Executives
Joseph McEvoy

Food Services
David E. Leathers
Divisional Food Manager
The Boston Store

Government & Legal Affairs - GALA
Charles R. Lotter, Esq.
Sr. V. P., Secty. & General Counsel
J. C. Penney Co., Inc.

Information Systems
Allen Williams
Vice President, Information Systems
Belk Stores Services, Inc.

Internal Audit
Robert Rito
Director of Internal Audit
Kmart Corporation

International Board of Directors
Andre' de Botton
Chief Executive Officer
MESBLA S/A
Rio de Janiero

International Trade RITAC Executive Cte.
Leslie H. Wexner
Chairman and CEO
The Limited, Inc.

International Trade RITAC Steering Cte.
James T. Hale, Esq.
Senior VP, General Counsel
Dayton Hudson Corporation

Lawyers Cte.
Michael R. Moran, Esq.
VP, Sec. and General Counsel
Spiegel, Inc.

Loss Prevention
James W. Lee
Vice President, Loss Prevention Shortage Control
Marshall's

Operations
Wayne Hussey
Senior Vice President, Operations and Store Planning
Goudchaux/Maison Blanche

Personnel
Phil Johnson
Senior Vice President, Human Resources
Saks Fifth Avenue

Postal and Transportation
Peter J. Brock
Director of Transportation
J.C. Penney Company, Inc.

Sales Promotion/Marketing
Timothy Worcester
Senior Vice President, Sales Promotion/Marketing
Lazarus

State Retail Associations
David Vite
President
Illinois Retail Merchants Assn.

Specialty Chain Executive Committees

- **Specialty Chain CEOs**
  Donald G. Fisher
  Chairman and CEO
  The Gap
- **Advertising - Specialty Chain**
  Bert Briskin, Co-Chair
  Executive Vice President - Store Planning and Real Estate
  Brooks Fashions
- **Loss Prevention - Specialty Chain**
  Peter Dimas
  Manager of Loss Prevention
  Chess King
- **Personnel - Specialty Chain**
  Wilfred Ray
  Vice President, Personnel
  U.S. Specialty Retailing
- **Real Estate - Specialty Chain**
  Barrie Wood
  Vice President, Real Estate
  Merry-Go-Round Entreprises, Inc.

SpecNet
Chair: January '92 election

Store Planning, Design and Visual Merchandising
Donald Docken, Co-Chair
Senior Vice President, Merchandise Presentation
Montgomery Ward & Co., Inc.

Wayne Visbeen, Co-Chair
Director of Advertising, Store Design
and Visual Merchandising
Gantos

Taxation
Frank D. Gunter
Vice President, Taxes
May Department Stores Co., Inc.

Traffic
Richard Silverberg
Director of Transportation
Saks Fifth Avenue

Specialty Chain Executive Groups

In 1991, NRF continued its services to specialty store chains, conducting two major benchmark studies that should provide valuable information to the nation's specialty chains.

The first, a wage and salary survey of specialty chains, documents the average pay, wage increases, and incentive plans for such positions as district manager, store manager, assistant manager, full-time and part-time sales associates. This study was released in 1991.

The second, a study of the turnover rates of store management and personnel, includes such information as reasons for leaving, and is expected to be widely used by specialty retailers. It will be released in early 1992.

The Specialty Chain Executive Groups continue to be structured in a manner which addresses key issue areas:

- Chief Executive Officers
- Personnel
- Real Estate
- Loss Prevention
- Sales Promotion - Marketing

International Members

NRF continues its commitment to serve its international members at a time when trade and physical boundaries are tumbling in all areas of the globe.

With the advent of the free trade agreement with Canada in 1991, and the anticipation of EC '92, NRF seeks to develop programs that will bring together retailers from all over the world to share their common problems and opportunities.

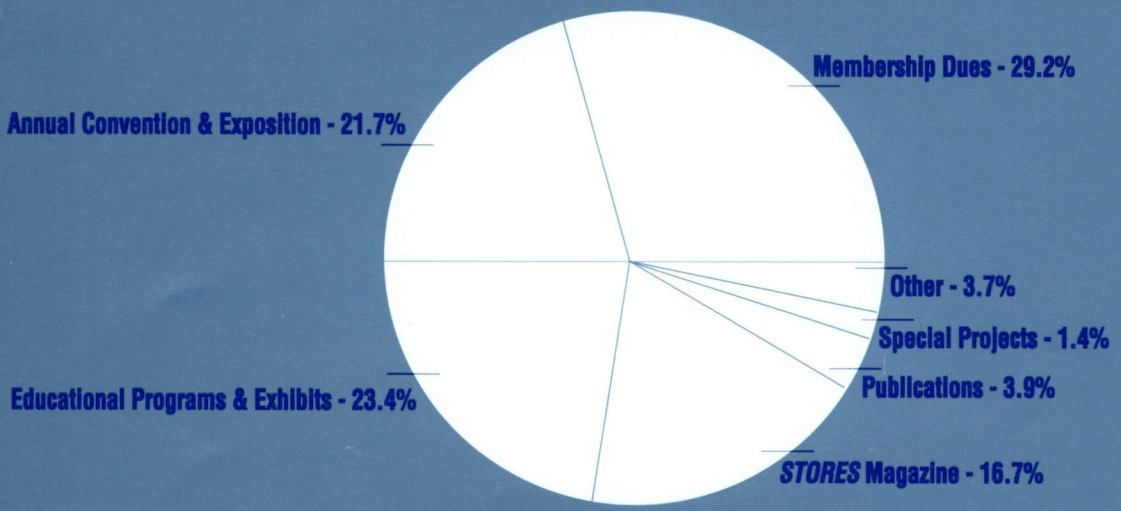
At the January 1992 Annual Convention, NRF planned three days of sessions, called an Executive Symposium for International Retailers, to examine critical issues that will reshape retailing in the 1990s.



Financial Information

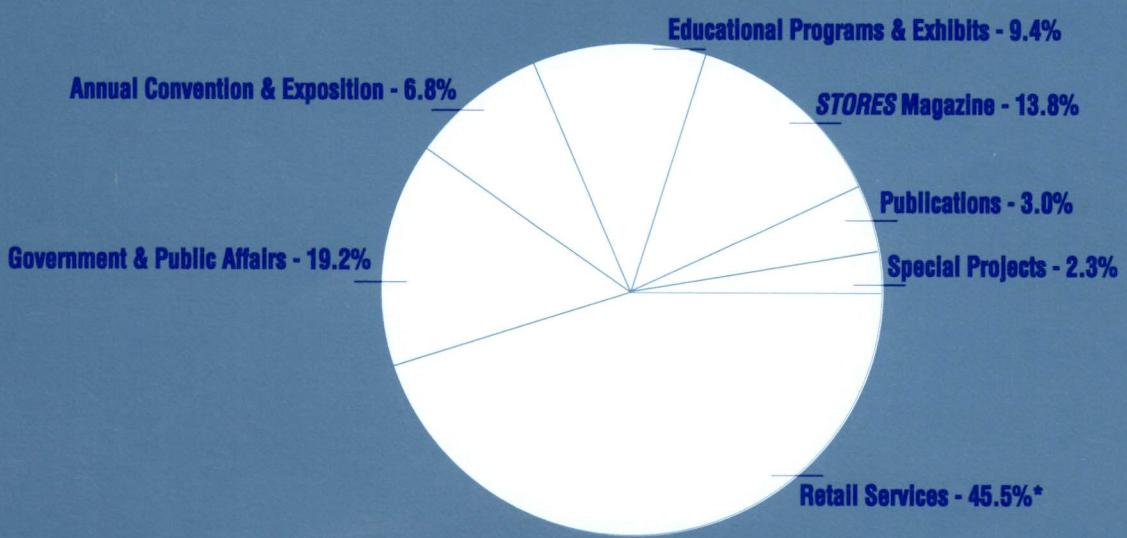
Budgeted Revenue Fiscal Year End 2/92

Total $13,252,000



Budgeted Expenses Fiscal Year End 2/92

Total $13,250,000



** Indirect expenses supporting all services to members: education; membership development; information; research; exhibitions; and staff support functions, e.g. finance, fulfillment, etc.*

John M. Hancock
CEO
W.H. Smith Group Inc.

***Philip M. Hawley**
Chairman & CEO
Carter Hawley Hale Stores

***Thomas A. Hays**
President
The May Department Stores

Leonard Herring
President & CEO
Lowe's Companies

Fred M. Horne
President
Horne's, Inc.

David R. Huhn
Chairman and CEO
Merchantile Stores Company, Inc.

Emery L. Jahnke
President & CEO
Vanity Shop of Grand Forks, Inc.

Wilbur Stone Jones, Jr.
President
Stone & Thomas

L. Daniel Jorndt
President & Chief Oper. Officer
Walgreen Company

Merwin Kaminstein
Chairman, President & CEO
Brookstone Company, Inc.

Gertrude S. Kisber
Chairman
Kisber's Department Store, Inc.

James L. Kittle
Chairman and CEO
Kittle's, Inc.

James Knabe
President & CEO
Brooks Fashions, Inc.

Daniel S.C. Koo
Chairman
The Shui Hing Co., Ltd.

***John F. Luchsinger**
Vice President
Swezey's Department Stores

Richard M. Lynn
Chairman, CEO
S.H. Heironimus Co., Inc.

***Kenneth A. Macke**
Chairman and CEO
Dayton Hudson Corporation

Richard H. Madsen
President & CEO
ZCMI

Frank H. Maier, Jr.
President
Maier & Berkele

Robert Mancuso
Chairman
Pergament Home Centers

Kenneth E. Mansfield
President, G. H. Bass Retail
G.H. Bass & Company

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Vice Chairman
Saks Fifth Avenue

Bertrand Maus
Chairman of the Supervisory Board
Au Printemps, S.A.

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Chairman of the Board & CEO
McCurdy & Company, Inc.

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Chairman, McRae's, Inc.

Peter L. Metcalf
President
Creative Cooking, Inc.

Georges Meyer
Chairman and CEO
Galeries Lafayette

Michael Moorman
Chairman and CEO
Peebles, Inc.

Donald C. Onasch
President
Liberty House

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Chairman of the Executive Committee
Proffitt's Inc.

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Federated Stores, Inc.

Brian E. Quinn
Chairman and Chief Executive
Coles Myer Ltd.

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Chairman
Reynolds Brothers, Inc.

William V. Roberti
President & CEO
Brooks Brothers

***Leo M. Rodgers, Jr.**
President, Balliet's, Inc.
Walter J. Salmon

Stanley Roth, Sr.
Professor of Retailing
Harvard Business School

C. George Scala
Chairman and CEO
Lechmere, Inc.

Gordon I. Segal
President & CEO
Crate & Barrel

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Former Chairman of the Board
J. C. Penney Company, Inc.

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Revco, D.S., Inc.

***Harold E. Sells**
Chairman and CEO
Woolworth Corporation

M. Arthur Shafer
President, Nobbson

Richard Sharpe
Chairman
Sears Canada, Inc.

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Vice Chairman, President and CEO
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***Earl L. Sherlock**
President
Chappell's

Richard D. Siegel
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Chairman, President & CEO
Frederick's of Hollywood

David Vite
President
Illinois Retail Merchants Assn.

William E. Watts
President & CEO
General Nutrition Corporation

Leslie H. Wexner
Chairman and CEO
The Limited, Inc.

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President
She, Inc.

Ms. Margaret S. Wilson
Chairman & CEO
Scarbroughs

Keiichi Yasuda
Chairman and CEO
Ohgiya Jusco., Ltd.

Arnold B. Zetcher
President & CEO
Talbots

***Ronald L. Ziegler**
President
Natl. Assn. of Chain Drug Stores

* Executive Committee

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Chairman of the Board and CEO
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Chairman, President and CEO
Kmart Corporation

Second Vice Chairman of the Board

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Montgomery Ward & Company, Inc.

Third Vice Chairman of the Board

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Marting's Department Store

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Strawbridge & Clothier

Secretary

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Co-Chairman & Co-CEO
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National Retail Federation Inc.
New York, NY

President - Government and Public Affairs Division

*** Tracy Mullin**
National Retail Federation Inc.
Washington, DC

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Chairman of the Board & CEO
Adam Meldrum & Anderson

Marvin Aronowitz
Director
Oshman's Sporting Goods, Inc.

Arnold H. Aronson
Chairman & CEO
Woodward & Lothrop/John Wanamaker

Thomas J. Bata, Sr.
Chairman, Bata Limited

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Beall's Department Stores, Inc.

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Chairman
Belk Stores Services, Inc.

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Chairman and CEO
The Globe Stores

Gerald H. Blum
President
Gottschalk, Inc.

June Gingles Brown
Chairman of the Board
Gingles Department Store

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Carlisle Retailers, Inc.

Wayland H. Cato, Jr.
Chairman and President
The Cato Corporation

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Chairman of the Board & CEO
Tiffany & Company

*** Richard F. Clayton**
Chairman and CEO
STOR Furnishings International

*** A. J. Cohen, Jr.**
President
Lady Jane, Inc.

Piergiorgio Coin
Chairman and CEO
Coin S.P.A.

Frank M. Cole
Partner
Cole Department Store

Douglas H. Collister
President
Kistler-Collister & Co., Inc.

Daniel D. Condon
President
James E. Condon & Sons, Inc.

Robert J. Corliss
President & CEO
Herman's Sporting Goods, Inc.

*** Laurence E. Cudmore**
President
Retail Merchandise Group
Sears, Roebuck and Co.

Noel Davidson
Group President
Women's Specialty Retailing

*** A. F. Dawahare**
President
Dawahare's Inc.

*** Andre De Botton**
CEO, Mesbla, S.A.

Theodore Deikel
Chairman and CEO
Fingerhut Companies, Inc.

William Dillard
Chairman of the Board & CEO
Dillard Department Stores, Inc.

George R. Eaton
President
T. Eaton Company Ltd.

Julian I. Edison
Chairman of the Exec. Cmte.
Edison Brothers Stores, Inc.

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President
Embry's

John H. Epple
President
University Bookstore

Jack Eugster
Chairman, President & CEO
The Musicland Group

John Fairley
President & CEO
E.L. Nichols Store

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Chairman & CEO
R.H. Macy & Co., Inc.

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Chairman and CEO
The Gap, Inc.

Joseph A. Flannery
President
Weaver's, Inc.

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Chairman of the Board & CEO
Jacobson Stores, Inc.

Stephen J. Furst
President
Hess's Department Stores, Inc.

Stanley Goldstein
CEO
Melville Corporation

A. Dan Gordman
CEO and Chairman
Richman Gordman Stores, Inc.

*** William Thomas Gould**
President & CEO
Younker's, Inc.

Gerald Gura
President & CEO
CWT Specialty Stores

Max Gutmann
Chairman of the Board
The Elder-Beerman Stores Corp.

John P. Hacala
President & CEO
Spencer Gifts Inc.



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