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OA/ID Number: 13819
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Folder Title:
Industrial League of Orange County--Irvine, California 6/19/92 [OA 7575] [4]

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G	26	22	6	2

Post-It™ brand fax transmittal memo 7671

of pages > 1

To	Gary Gershowitz	From	Beverly McClure
Co.	White House	Co.	ILOC
Dept.		Phone #	714/476-2242
Fax #	202/456-6218	Fax #	714/476-9240

INDUSTRIAL LEAGUE OF ORANGE COUNTY

DATE: June 17, 1992

TO: Gary Gershowitz

FROM: Beverly R. McClure

RE: Elected Officials

Per our phone conversation, President Bush will be introduced by Reed L. Royalty, Chairman of the Board, Industrial League of Orange County. Also to be acknowledged are:

Todd Nicholson, President, Industrial League of Orange County
 Senator John Seymour
 Congressman Christopher Cox
 Congressman Dana Rohrabacher

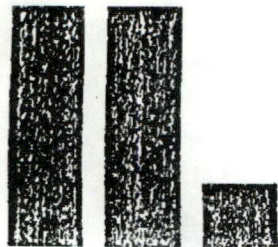
We will introduce the local elected officials.

*need L. Royalty
 Ack local chamber of
 COMM, who are sponsors*

OFFICIALS OF THE LEAGUE WILL ON STAGE w/ Pres.

Mike Hagan - Vice chairman
Loren PANNIER [PAY-NEAR] - Vice chairman
Har Schultz - Secretary
Helen CAMERON - Treas
Todd Nicholson, Pres

14 Elected OFF. in Orange Co. (Leg. Supervisor Board Mem)



FACSIMILE TRANSMITTAL

INDUSTRIAL LEAGUE OF ORANGE COUNTY

Approx.

1050

Jamboree Center, 2 Park Plaza, Suite 1250, Irvine, California 92714 (714) 476-2242

FAX PHONE NUMBER: 714/476-9240

TO: Gary GershowitzFROM: Todd Nicholson

COMPANY:

FAX PHONE NUMBER:

(202) 456-6218

DATE AND TIME SENT:

12:55 pm PDT

NUMBER OF PAGES INCLUDING COVER PAGE:

2

SPECIAL INSTRUCTIONS:

This is a preliminary list of elected officials who are confirmed for attendance on 6/19. In addition to the elected also in attendance will be:

Don Bren, Chairman, The Irvine Company
Jack Flanigan, state Chairman, Bush/Quale '92
Tom Fuentes, Orange County Republican Party chairman
Plus, a significant number of other elected officials yet to be confirmed. We will keep you posted.

SENATOR JOHN SEYMOUR will attend.
Confirmed by JENNIFER ~~SEYMOUR~~ KEMP, 714-634-2331

INDUSTRIAL LEAGUE OF ORANGE COUNTY

ELECTED OFFICIALS

Vice Mayor
Barry Hammond, Mayor Pro-Tem, City of Irvine

Sally Anne Sheridan, Mayor, City of Irvine *31 Diff. Cities in Irvine, Cal*

Roger R. Stanton, Chairman, Orange County Board of Supervisors

Supervisor Thomas F. Riley - *5th District*

Supervisor Harriett Wieder - *2nd District*

5 Districts in Orange County



UNITED STATES DEPARTMENT OF COMMERCE
Economic Development Administration
Washington, D.C. 20230

TELEFAX TRANSMISSION

Date 6/12/92

For Jeff Hockberg

Location White House Office of Speech Writing

Telephone No (202) 456-7750

Telefax No (202) 456-6218

From Steve Brennen

Location US DoC / EDA Office of Program Operations

Telephone No (202) 377-3081

Telefax No (202) 377-0995

Additional Message _____

Number of pages attached 4

DEFENSE ADJUSTMENT ASSISTANCE

STATUS SUMMARY

as of May 22, 1992

BACKGROUND: In February of 1992, the Department of Defense (DoD) transferred \$50 million to the Economic Development Administration (EDA), to remain available until expended, for defense adjustment projects under EDA's Title IX Economic Adjustment - Sudden and Severe Economic Dislocation (SSED) Grant Program. Prior to that date, EDA had funded several defense adjustment grants using its own FY 1991 and FY 1992 appropriated Title IX funds.

The special transferred funds may be used for base reuse or community adjustment projects in the event of an announced base closing or a defense contract reduction or cancellation. All defense adjustment proposals are reviewed by the DoD - Office of Economic Adjustment (OEA) which must concur in the use of the special transferred funds.

PROGRESS TO DATE: EDA announced the availability of the special defense adjustment funds in the March 10, 1992 Federal Register. EDA has since invited formal applications for 13 defense adjustment proposals for a total of \$14,946,000. Seven applications have been received by the regional offices and are in various stages of project processing and two grants for a total of \$178,000 have been awarded.

In addition, EDA is considering a number of new proposals which, if invited, could increase EDA's defense adjustment pipeline to a total of approximately \$30 million in the next ninety days. Most of the projects will complete processing in the customary three to five month timeframe for Title IX projects of varying complexity. EDA expects to invite sufficient additional defense adjustment applications by the end of first quarter FY 1993 that will exhaust the entire \$50 million with approved grants by the end of FY 1993.

✓ Many of the early requests for assistance are in response to the dislocation impacts resulting from announced defense weapons systems procurement cutbacks. Such announcements cause an immediate impact on the affected communities and warrant timely response to mitigate, to the extent possible, the negative economic effects. Significant impacts are being felt by New England area submarine contractors as well as the aerospace industry in southern California and St. Louis, Missouri.

Several of the current proposals are in response to announced base closings where the affected community has made good progress in developing its local base reuse plan. Most of the military base communities, however, are still in the process of working out their reuse plans with assistance from the DoD OEA, and many of the bases will not actually see a reduction of military or defense civilian employees for several years.

EDA'S DEFENSE ADJUSTMENT PROCESS

In the case of base closures, a base reuse plan or strategy must be locally developed as the first step in the defense adjustment assistance process. The DoD OEA is the lead agency for the development and funding of such plans. EDA, for its part, will follow on the DoD sponsored base reuse plan in considering applications for funding selected implementation steps of the plan. All EDA defense adjustment assistance utilizing the \$50 million will be coordinated closely with the DoD OEA, which retains authority to concur with each project before EDA makes the award. Otherwise, the standard rules and procedures contained in the Agency's annual Federal Register notice on the Availability of Funds are applicable.

EDA can also assist communities facing economic adjustment problems resulting from defense procurement contract reductions. Under the Title IX SSED Grant Program, virtually all of EDA's tools may be packaged into a single grant, if appropriate, including components for planning/strategy (not duplicating DoD), technical assistance, construction/public works, revolving loan fund assistance, and training (not duplicating Department of Labor or Education programs).

For fiscal year 1992, \$11,500,000 is available under EDA's own annual appropriations for the SSED assistance program to respond to all types of economic dislocation events, including defense adjustment events. In addition, the above described \$50 million from DoD is available under EDA's Title IX program specifically for defense related adjustment projects.

THE PRESIDENT'S ECONOMIC ADJUSTMENT COMMITTEE (DEFENSE ADJUSTMENT)

The Secretary of Commerce is a member of the President's Economic Adjustment Committee (EAC) and the Secretary's designee is the Assistant Secretary of Commerce for Economic Development. Within the Department of Commerce, EDA is the primary agency responding to defense adjustment impacts on communities. The FY 1991 Defense Authorization Act and Executive Order 12788 establish that the chairmanship of the EAC rotate annually between the DoD, the Department of Labor (DOL) and Commerce. Previously, the Secretary of Defense had been the permanent chair. DoD's OEA provides staff support for the EAC and is drafting a letter from Secretary Cheney to the Secretaries of Commerce and Labor proposing that, pursuant to the law and executive order, the Secretary of Commerce will chair the EAC beginning in FY 1993 and DOL will have the chair in FY 1994. The Assistant Secretary of Defense (Force Management and Personnel) is the permanent Vice-Chair of the EAC.

ADDITIONAL BACKGROUND ON EDA's \$50 MILLION

Historically, the Department of Commerce and EDA (along with DoD and OMB) has recommended against supplemental defense adjustment funding to address base closings and defense contract reductions, because:

- (1) EDA could already respond to such events under its own authority and direct appropriations,
- (2) The purpose of the defense cuts was to achieve overall budgetary savings which would be diminished by such supplemental appropriations,
- (3) The Congress' proposal to appropriate funds to the DoD to be spent by a domestic agency appeared to violate a critical understanding of the budget pact that increased domestic spending must be compensated by equivalent domestic cuts.
- (4) Defense contractors represented only one area of American business/industry facing hardship, yet were unfairly being singled out for Federal assistance.

Nevertheless, the (DoD) Authorization Act for FY 1991 included a provision authorizing \$200 million for defense adjustment assistance of which \$150 million was earmarked for DOL and \$50 million was to be administered by EDA under Title IX of the Public Works and Economic Development Act of 1965, as amended. However, the companion DoD Appropriation Act for FY 1991 contained language appropriating the \$200 million only to DoD and did not otherwise provide for its transfer to DOL or DOC. DoD, after several months of inaction with the funds, announced at a May 15, 1991 hearing before the House Armed Services Committee, Subcommittee on Investigations that it had decided to transfer the funds to DOL and DOC.

The transfer of funds from DoD to Labor was initiated prior to the end of fiscal year 1991 using the Economy Act as the basis for transfer. Commerce explored and rejected using the Economy Act as a basis for transfer of the \$50 million because the conditions for transfer under the Economy Act could not meet the programmatic expectations of DoD/EDA. The lack of clear transfer authority of the two FY 1991 DoD Acts was addressed by special language included in the FY 1992 DoD Appropriation Act which granted specific authority for the transfer of the \$50 million from DoD to Commerce/EDA and further provided that funds so transferred would become no-year funds. Previously, the funds availability had expired on September 30, 1993.

On January 27, 1992, EDA and DoD executed a Memorandum of Agreement (MOA) concerning the transfer and use of the \$50 million. The funds were transferred to EDA the following week.

**DEPARTMENT OF LABOR
DEFENSE ADJUSTMENT PROGRAM**

The DOL is the only other Federal Department or Agency, other than EDA or DoD, with any significant funding or programmatic authority to provide defense adjustment assistance. DOL received \$150 million from DoD (through the same legislation that provided EDA's \$50 million) for adjustment assistance targeted to individuals displaced by base closings and defense contract reductions .

DOL is essentially using its Job Training and Partnership Act (JTPA) programs to provide assistance directly to displaced workers. Regular JTPA appropriated funds, apportioned to the states, are utilized first. Only if the regular program funds are insufficient and the state requests additional assistance to deal with defense related worker dislocations, has DOL dipped into its special defense adjustment funds. Because JTPA is already well funded, DOL spending of its special funds has been slow. However, unlike EDA's special defense funds, which were converted to no-year money, the DOL money must still be obligated prior to September 30, 1993. DOL is expected to announce some sort of demonstration program shortly to help move its funds. The specific nature of the demonstration program is not known.

Command, Control, Communications and Intelligence —
cont'd

(Area Code 804)

DOD Security Institute

Defense Gen Supply Ctr Bldg 33-E Richmond VA 23297

Director Everett Gravelle 275-3012

Production and Logistics

(Area Code 703)

~~Assistant Secretary John P. McMillan 3E808 695-8035~~
Sr Military Asst Capt Bob Chamberlin USN 3E808 695-7011
Special Asst David L Spoede 3E808 695-7011
Prin Dep Asst Secretary David J Berteau 3E808 695-7178
Military Asst Lt Col Hank Bingham USA 3E808 695-7179
Defense CALS (Computer-Aided Acquisition & Logistics Support)
Executive Maj Gen Russ Baldwin USA 3D833 697-0051
Management Support Ctr Dir Richard Donnelly 1500 SKY-3 756-2208

Environment

Deputy Assistant Secretary Thomas E Baca 400 AND 695-7820
Prin Dep to the Dep Asst Sec Russel Milnes 400 AND 695-7820
Military Asst Lt Col Gary Thomas USA 400 AND 695-7820
Special Asst David Platt 400 AND 695-7820
Defense Environmental Support Ofc Dir Len Richeson 400
AND 695-8358
Safety & Occupational Health Pol Dir George W Siebert 400
AND 695-0110
Outreach Div Dir C Wesley Carson 400 AND 695-8360
Policy Div Dir Lt Col Kenneth Cornelius USAF 400 AND 695-8355
Programs & Budget Div Dir Kevin Doney 400 AND 695-7007
Technology Div Dir Richard Kibler 400 AND 695-8360
DOD Explosive Safety Bd Chrmn Capt David K Wallace USN
856C HOF-1 325-0152
Environmental Protection Agency Liaison Lt Col Jessie
Cabellon USA M2119 WM (202) 260-6996
Pest Management Bd Exec Dir Col Robert Clegern
USAF FG (301) 427-5191

Installations

Deputy Assistant Secretary Robert A Stone 3E787 697-5371
Prin Director Gerald Kauvar 3E787 697-9106
Asst Dep Asst Secretary Capt Joe Sikes USN 3E787 697-9106
Base Closure & Utilization Dir Doug Hansen 3D814 614-5356
Engineering & Construction Dir Tom Bee 310 SKY-6 756-5643
Facility Requirements & Resources Dir Patrick J Meehan Jr
3D768 695-7957
Housing & Services Dir Patricia Fowler 310 SKY-6 756-5642
Installation Pol Dir Lewis Patterson 3C767 697-7475

Logistics

Deputy Assistant Secretary Diane K Morales 3E788 697-1368
Military Asst Col Robert Freeman USAF 3E788 697-5530
Energy Policy Dir Jeffrey Jones 1D760 697-9419
International Logistics Dir (Vacant) 2B329 695-0271
Logistics Plng & Analysis Dir (Vacant) 2D261 614-4175
Maintenance Policy Dir Robert T Mason 3B915 697-7980
Supply Mgmt Policy Dir James H Reay 3B730 697-9238
Transportation Policy Dir Robert H Moore 2B278 697-6551
Weapon Support Improvement Grp Dir Martin A Meth 2B322 697-0051

Production Resources

Deputy Assistant Secretary Nicholas M Torelli Jr 3E813 697-1771
Executive Asst Stan Dubowski (Actg) 3E813 697-1771
CALS/EDI (Computer-aided Acquisition & Logistics Support/
Electronic Data Interchange) Dir Marianne Pietras (Actg)
2B322 697-0051
Industrial Engr'g & Quality Dir Mark Schaeffer 2A318 695-9846
Manufacturing Modernization Dir Walter Bergmann II 3B253 695-7458
Production Base Dir John B Todaro 2A318 695-9846

Program Support

Director William J Sharkey 3D758 697-9978
Congressional/Legislative Liaison Diane Carroll 3E791 614-4030
Production & Logistics Data Ctr Dir James Miller 102 SKY-4 756-7637
Research & Studies Robert Newhart 1B466 697-7019
Computer Systems Support Div Dir Gary Hurd 1B466 695-9505

(Area Code 703)

PPBS/DMR (Plng, Pgm'g, Budgeting System/Def Mgmt Report) Division:
Bruce Ramsey 3E791 614-3838
Anthony Stampone 3E791 614-3838

Defense Research and Engineering

★ Director Victor H Reis 3E1014 697-5776
Confidential Asst (Vacant) 3E1014 693-4110
Military Asst Col John P Kline USMC 3E1014 697-5776

Plans and Resources

Deputy Director John M Bachkosky 3E114 695-0598
Military Asst Col Robert W Baker USAF 3E114 695-0598
FFRDC (Federally Funded Rsrch & Devel Ctrs) Dir Lt Col Mark
Dickerson USAF 3E114 756-2096
Resource Management Dir R V Tuohy 3D367 614-0205
Acquisition System Protection Ofc Chf Col David C Evans
USAF 3B1060 695-9536
DOD Tech Analysis Ofc Dir James W Whitt 317 SKY-6 756-8969

Research and Advanced Technology

Deputy Director Raymond F Siewert (Actg) 3E118 695-5036
Military Asst Col James S Butt USAF 3E118 695-3042
Special Asst Virginia Castor 3D359 614-0212
Engineering Technology Dir Donald Dix (Actg) 3D1089 697-7922
Environment & Life Sciences Dir Joseph V Osterman 3D129 697-8714
Research & Lab Mgmt Dir Ted Berlincourt 3D375 697-3228
Defense Modeling & Simulation Ofc Dir Col Ed Fitzsimmons
3D367 695-0975

Strategic and Theater Nuclear Forces

Deputy Director George R Schneider 3E130 697-9386
Military Asst Col J A Franco USAF 3E130 697-4931
Asst Dep Director Brig Gen Arthur E Johnson USAF 3E130 695-7417
Defensive Systems Dir Bruce Pierce (Actg) 3D136 697-5385
Offensive & Space Systems Dir Eugene Sevin 3E129 697-4910
Strategic Aeronautical & Theater Nuclear Systems Dir Col
Robert Dawson USAF 3E139 697-7825
Strategic Arms Control & Compliance Dir Lee P Minichiello
3E121 695-7840

Tactical Warfare Programs

Deputy Director Frank Kendall III 3E1044 695-9713
Executive Asst Col Noris Lynn McCall USMC 3E1044 695-5747
Air Warfare Dir Spiros G Pallas 3E1081 695-0525
Conventional Arms Control & Compliance Dir Mary M Evans
3B1060 693-6398
Conventional Initiatives Dir Loren R Larson 3D1064 614-0190
Electronic Combat Dir Anthony Grieco 2D252 697-3619
Land Warfare Dir Andrus Viilu 3D1049 695-9284
Naval Warfare & Mobility Dir C Joseph Martin 3D1048 697-2205
Ofc of Munitions Dir George C Kopsak 3B1060 695-1407

Test Evaluation

Deputy Director Richard R Ledesma (Actg) 3E1060 695-7171
Executive Asst Col Bernard B Ferguson USA 3E1060 695-4608
Confidential Asst Mary G Griggs 3E1060 695-7171
Budget Action Ofcr Mary J Wells 1B473 695-7175
Foreign Comparative Test Action Ofcr Col Alan D Biskey
USA 1B473 697-0394
Live Fire Test Dir James O'Bryon 3D1084 697-5732
Test Facilities & Resources Dir John V Bolino 3D1067 697-4819
Weapon Systems Assessment/STEP (Spec Test & Eval Pgms)
Dir James O'Bryon (Actg) 3D1084 697-5732

Atomic Energy

★ Assistant to the Secretary Robert B Barker 3E1074 697-5161
Executive Asst Capt Linda K Groves USN 3E1074 697-5561
Asst Staff Director, NWC (Nuclear Weapons Council) Richard
W Brown 3E1074 695-5486
Deputy Assistant to the Secretary for:
Chemical Matters Billy Richardson 3E1074 695-5448
Military Applications John H Birely 3E1074 697-5561

EXECUTIVE OFFICE OF THE PRESIDENT

11-Jun-1992 10:13am

TO: Gary J. Gershowitz

FROM: Elizabeth M. Hinchliffe
Office of Communications

SUBJECT: california

Hi, Gare-meister!

Okay, some more things about California speech. First -- it's supposed to go to staffing tomorrow, so we've pretty much got to get it in shape today.

Second -- could you call Todd Nicolson, (714) 476-2242 as soon as feasible (I guess noon our time -- would be 9 in California). He's President of the Industrial League that will be sponsoring the speech. Could you just touch base with him, and find out answers like:

--obviously, who will be there, how many, etc.

--any good jokes possible in audience makeup? in celebrities/politicians present? in the place where the speech will be held? recent local events?

--he won't be dictating the subject matter of the speech, so don't get caught up in that, but does he have any other useful background information?

Thanks.

X7845
Also, maybe a call to Jeff Vogt would help -- to see if he's the project officer, since it's business.

How's the DOD conversion info coming?

*Medium Mailer size
Bus Accd - Diversified - Bus
Comp Repair*

EXECUTIVE OFFICE OF THE PRESIDENT

10-JUN-1992 01:37PM

TO: GARY J. GERSHOWITZ
FROM: ELIZABETH M. HINCHLIFFE
OFFICE OF COMMUNICATIONS

SUBJECT: CALIFORNIA

Hi.

SOME INFO IS FINALLY TRICKLING TOGETHER ABOUT THE CALIFORNIA SPEECH. COULD YOU CALL DEFENSE AND ASK FOR SOME INFORMATION ABOUT COMPANIES AND DOD CONVERSION? MAYBE CHENEY HAS ADDRESSED THIS SUBJECT IN A SPEECH -- IT WOULD BE EXTRA-GREAT TO GET HIS REMARKS. DO THEY HAVE EXAMPLES OF SUCCESSFUL CONVERSIONS? THANKS.

Defense conversion
202-653-0253
COMMISSION
Sally Hartwig
PAUL Hawley

Tim Kyger in Congressman Rohrbacher's office suggests the following wording for accuracy:

"McDonnell Douglas' SDIO-funded Delta Clipper Program will dramatically reduce costs. . ." Then resume sentence as written.

bETH --

Henson Moore called with several items he'd like to see included in Orange Co. 1) Recommends we go back to Oak Ridge Tennessee specch from February, and profile our National Technology Initiative -- a conference of which was held in Pasadena CA on May 29. 2) Also wants us to reference the R& E (research and engineering) Tax credit, which POTUS has asked Congress to extend permanently. 3) Also (you guessed it) wants to see 3 legacies in there somewhere....

Please begin with these changes while we wait for the rest of staffing comments.

AURA

CALIFORNIA

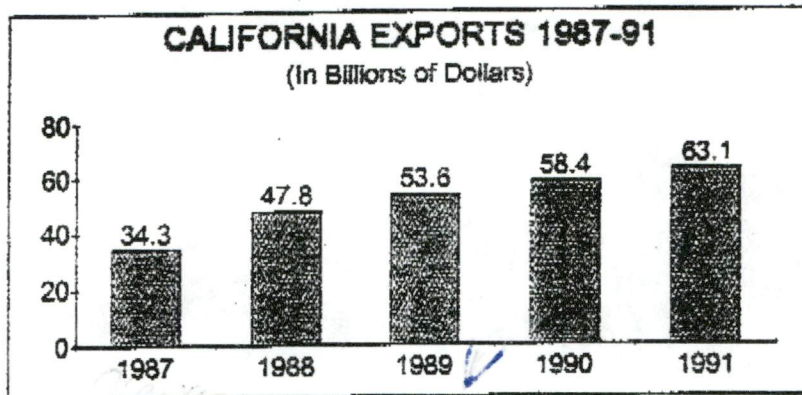
WORLD TRADE COMMISSION

1991 CALIFORNIA TRADE HIGHLIGHTS

THE FOLLOWING INFORMATION profiles California's international trade performance. Leading the United States in exporting, California accounted for 15 percent of total 1991 U.S. exports (\$421.6 billion) or one out of every seven U.S. export dollars. In 1991, California exported over \$63 billion in goods, an 8 percent increase from 1990. In 1991, California ports handled two-way trade valued at nearly \$175 billion.

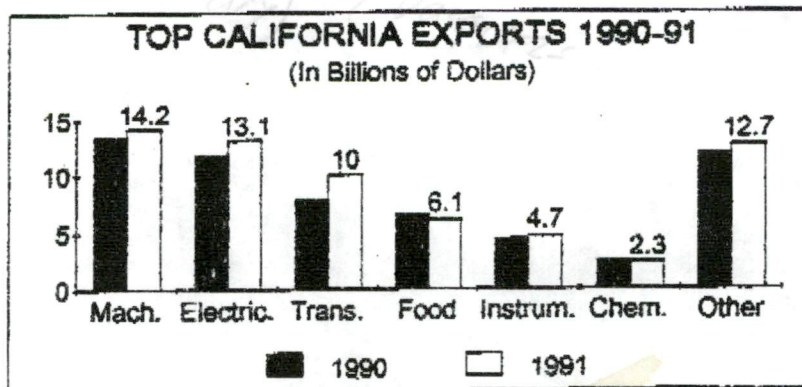
THE EXPORT PICTURE

California exports grew quickly in the latter half of the 1980s, increasing by an average of 20 percent per year between 1987 and 1990. Trade growth peaked in 1988 at 39 percent, followed by moderate growth in 1989, 1990 and 1991 of 12 percent, 9 percent, and 8 percent, respectively. Exports continue to boost state economic performance, accounting for approximately 60 percent of the state's real economic growth in 1991.



CALIFORNIA PRODUCTS

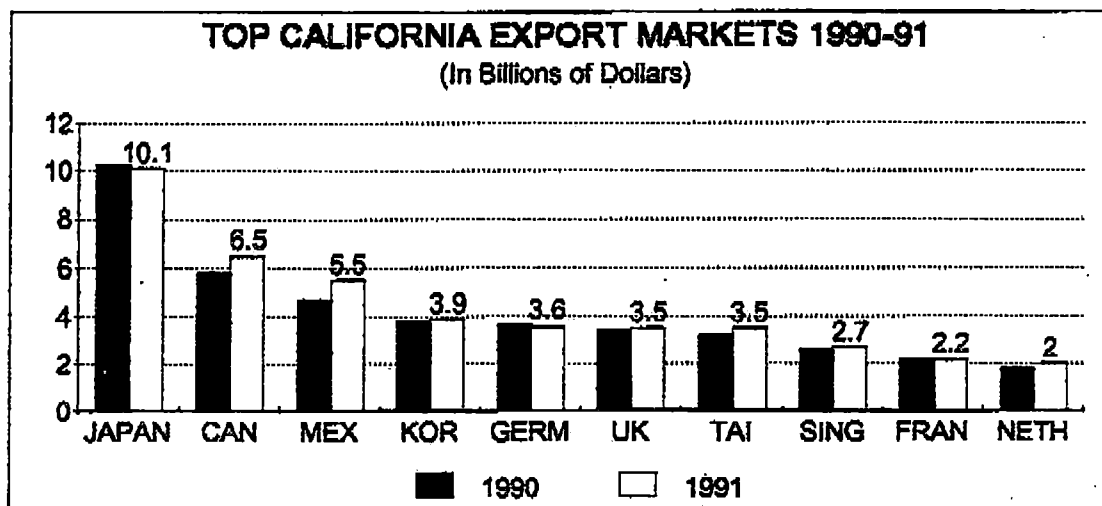
Products from California, ranging from advanced technologies to the world's most desirable agricultural products, are in high demand from buyers around the world. The state's top three product categories account for close to 60 percent of all California exports. General Machinery — including industrial and commercial machinery and computer equipment — is the state's leading export at \$14.2 billion. Electrical Equipment, consisting of telecommunication equipment, consumer electronics, and electrical machinery, totaled \$13 billion in 1991. Third-ranked Transportation Equipment, including motor vehicles, aerospace products and railroad and boat equipment, posted overseas sales of over \$10 billion.



Annette Davis is the contact for this information
She is the Trade Rep in Gov Wilson's Office: (916) 445-6075

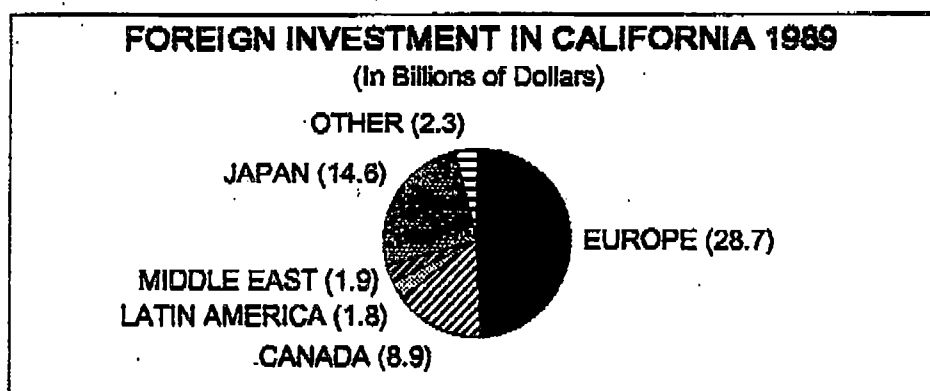
EXPORT MARKETS

The Golden State's products are sold around the globe. California's top ten markets, ranging from Asian to European countries, account for almost 70 percent of all state exports. The European Community, as a consolidated market, consumed \$15.4 billion or 24 percent of all California exports. The Asia/Pacific countries absorbed over \$28 billion or 44 percent of California goods. Japan, Canada, and Mexico represent the top three single-country markets, importing \$10.1, and \$6.5, and \$5.5 billion, respectively, of California merchandise. Mexico, of the top ten markets, was the fastest growing major market for California goods in 1991, increasing purchases by 18 percent from 1990. Other key growth markets for the state's products were Canada (12 percent), Taiwan (10 percent), and the Netherlands (8 percent).



FOREIGN INVESTMENT

Foreign investment in California topped \$60 billion in 1989, the latest year for which figures are available, increasing 22 percent from nearly \$50 billion in 1988. Top investors included European countries, Japan, and Canada. Total employment attributable to foreign investment was 496,400 in 1989, up 27 percent from 390,300 jobs in 1988.



1991 PORT DATA

Trade through California's Custom Districts

TOTAL	\$ 174.6 billion
Port Exports	\$ 73.8 billion
Port Imports	\$ 100.9 billion

GENERAL STATISTICS 1991

Gross State Product	\$765.0 billion
Population	30.6 million
Civilian Labor Force	14.8 million
Unemployment	7.5 percent
Inflation Rate	4.1 percent

THE CALIFORNIA STATE WORLD TRADE COMMISSION is the export development arm of the California state government. Since its creation in 1983, the Commission has supported over \$750 million in export sales through its export financing programs administered by the Offices of Export Finance located in Los Angeles and San Francisco, and marketing assistance provided by the Office of Export Development located in Long Beach. For further program information please contact:

CALIFORNIA STATE WORLD TRADE COMMISSION
1121 L Street, Suite 310 Sacramento, CA 95814
Telephone: (916) 324-5511 Fax: (916) 324-5791

SOURCES: U.S. Department of Commerce and Massachusetts Institute for Social and Economic Research (MISER).

CALIFORNIA STATE WORLD TRADE COMMISSION



CALIFORNIA'S EXPORT PROFILE 1991

The value of products exported from California rose 8% in 1991, accounting for 15% of total U.S. exports of \$421.9 billion.

California Total Exports for 1991: \$63.1 billion

Top California Exports (in billions)

1.	Industrial Machinery, Computer Equipment	\$14.2
2.	Electronic/Electric Equipment	\$13.1
3.	Transportation Equipment	\$10.0
4.	Instruments and Related Products	\$ 4.7
5.	Food and Kindred Products	\$ 3.7
6.	Agricultural Production - Crops	\$ 2.4
7.	Chemicals and Allied Products	\$ 2.3
8.	Petroleum and Coal Products	\$ 1.7
9.	Fabricated Metal Products	\$ 1.5
10.	Scrap and Waste	\$ 1.4

Top California Export Markets (in billions)

1.	Japan	\$10.1
2.	Canada	\$ 6.5
3.	Mexico	\$ 5.5
4.	Republic of Korea	\$ 3.9
5.	Federal Republic of Germany	\$ 3.6
6.	United Kingdom	\$ 3.5
7.	Taiwan	\$ 3.5
8.	Singapore	\$ 2.7
9.	France	\$ 2.2
10.	Netherlands	\$ 2.0

Source:

U.S. Department of Commerce and
Massachusetts Institute for Social and Economic Research (MISER).

CALIFORNIA STATE WORLD TRADE COMMISSION



CALIFORNIA'S MAJOR TRADING PARTNERS 1987-1991 (in dollars)

	JAPAN	CANADA	MEXICO	TOTAL CA EXPORTS
1987	5,582,315,504	3,404,147,690	2,257,262,663	34,311,151,013
1988	8,344,369,711	4,000,751,709	3,241,765,445	47,789,371,151
1989	9,739,396,304	4,749,810,190	4,172,918,498	53,547,595,961
1990	10,265,892,048	5,803,217,422	4,670,517,836	58,430,444,462
1991	10,143,683,529	6,510,085,771	5,526,877,461	63,112,626,074
TOTAL	44,075,657,096	24,468,012,782	19,869,341,903	257,191,188,661

SOURCE:

U.S. Department of Commerce and
Massachusetts Institute of Social
and Economic Research (MISER).

U. Clinton K. Roberts
cc: DFB, PW + JDF

Document No. 333428ss

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/15/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUES. 6/16 3:00pm

PRESIDENTIAL REMARKS: INDUSTIRAL LEAGUE OF ORANGE COUNTY

SUBJECT: IRVINE, CA - FRI. 6/19/92 - 1:00 p.m.

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	HORNER	☐	☐
SKINNER	☐	☒	MCBRIDE	☒	☐
SCOWCROFT	☒	☐	MOORE	☒	☐
DARMAN	☒	☐	PETERSMEYER	☒	☐
BRADY	☐	☒	PORTER	☒	☐
BROMLEY	☐	☐	ROLLINS	☐	☐
CALIO	☒	☐	SMITH	☒	☐
DEMAREST	☒	☐	YEUTTER	☐	☒
FITZWATER	☐	☒	FINDLAY	☐	☒
GRAY	☒	☐	KAUFMAN	☐	☒
HOLIDAY	☒	☐	MCGROARTY	☐	☒
BOSKIN	☒	☐			

REMARKS:

Please forward your comments directly to Dan McGroarty, RM. 122, x2930, no later than 3:00 p.m., TUESDAY, JUNE 16, with a copy to this office. Thank you.

RESPONSE:

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

(Hinchliffe/Gershowitz)
June 15, 1992 4 p.m.
DOD Draft Two

2 JUN 15 P5:09
**PRESIDENTIAL REMARKS: INDUSTRIAL LEAGUE OF ORANGE COUNTY
FRIDAY, JUNE 19, 1992 1 P.M.
IRVINE HYATT, IRVINE, CALIFORNIA**

(ACKNOWLEDGMENTS) And I'm proud to be standing here with three men who are solid, strong leaders not only for Orange County, but for this country. Bob Dornan -- a real champion of American values, who's been at my side in every election -- an aggressive spokesman for the things we believe in. Chris Cox -- an innovative, creative Congressman who embodies the vibrant, entrepreneurial spirit of this area -- he's pushing great new ideas like Turbo Enterprise Zones, and is a real champion of budget reform. And Dana Rohrbacher -- glad to see you could take some time off from surfing -- he's deeply involved in what I want to talk to you about today -- our nation's transition into the post-Cold War era, and what this means to a competitive economy.

Three days ago, I sat in the Oval Office with Russia's freely elected President, Boris Yeltsin, and we spoke of the dreams we share for our people. It was an extraordinary moment. Just think how in the last few years we've witnessed great gains for democracy -- events we scarcely dreamed would take place in our lifetimes. We're closer than ever to the people of every nation, rejoicing as one at the new breeze of freedom which swept the globe, scattering the last dust of grim totalitarianism.

But there are new challenges we face in the unexplored post-Cold War terrain. There are still pioneer days ahead. You know, at one point in the movie called "Awakenings," a fellow who's

been asleep for decades finally wakes up and has the whole world in front of him. When his doctor asks him what he wants to do that day, his face breaks into a huge grin and he shouts:

"Everything!" That's the spirit we need to call up right now -- that purely American belief in a future that knows no limits.

We're entering an entirely different economic world than the one we grew up in -- and that unbeatable spirit is what's going to lead us to success. William Jennings Bryan captured that bold spirit when he said: **"Destiny is not a matter of chance -- it's a matter of choice. It is not a thing to be waited for -- it is a thing to be achieved."**

I've seen how Californians are achieving your destiny. You're not waiting for chance -- you're making the choice. That's what we must do all over this land. For 200 years, our prosperity has sprung from our ability to innovate, to create, to change as the world changes. That's the heart of entrepreneurial capitalism -- a heart I hear beating right here in Orange County.

This place is almost like an R&D lab for the whole country, because you're figuring out how to shape your own identity in an evolving economy. This area is packed with successful examples of the technological transition from the Cold War to the era of global economic competition -- you're using systems developed for national defense to take aim at commercial markets worldwide.

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The proof is all around us. Hughes Aircraft is applying the military's Global Positioning Satellite System to a new procedure controlling shipping traffic along our coastal waters. McDonnell Douglas is using the SDI-funded SSTO program to dramatically reduce costs of reaching into orbit -- this will ensure that we lead the world's commercial aerospace industry. Rockwell is developing ways of using SDI's high-tech offshoots to give us smart cars and smart freeways, breaking gridlock on our highways -- that's certainly good news for Southern California. \\\

And I just came from visiting Aura Systems. I got to see up close how this small company is thriving: why they're hiring when so many others are firing. It's because they're able to adapt. They're at the cutting edge of the post-Cold War era, leading the drive to transform this world into a productive peace.

But while we look ahead to these exciting new horizons there is one critical element we must never forget. Just because the Cold War is over doesn't mean that our need for the strongest defense is over, too. That need may change, but it will never disappear. Look at the threat posed by terrorists -- by renegade regimes -- by global uncertainties. Well, because companies like

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Of course, this transformation is not going to be easy. The new world economy of the 21st century will be a new age of American competition in a fiercely challenging global marketplace. And we simply have to make some changes if we expect to compete. We have to realize the intensified need for sophisticated, well-

educated workers. The worldwide high-tech explosion will leave us behind unless we literally reinvent American education -- to turn out the best-prepared workers in this world. To do this, let's borrow a page from business -- let's bring competition into our schools through ideas like school choice. That's how we'll make our schools -- and our future -- the best in the world.

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I am absolutely committed to using every resource I can to pave our way into the future. Right now, I'll fight for measures to add jobs -- actions like encouraging investments through the capital gains tax cut; increasing jobs by reducing regulations; and encouraging trade and opening markets abroad. You know first-hand how important that is. California leads this nation in exports -- accounting for one out of every ⁸ ~~seven~~ U.S. export dollars. Just last year -- in an ^{13%} ~~8%~~ increase over 1990 -- this state exported over ^{\$50} ~~\$63~~ billion in goods. And, in all, your ports handled two-way trade values at nearly \$175 billion -- creating jobs up and down this golden coast.

✓
✓
Chadwick

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We will find that greatness. We will shape from inside ourselves a country ready to seize the opportunities the new world economy offers. I believe in that -- I believe in us -- I believe in America. God bless you all.

#

From: Balanced Budget
~~Radio~~ Radio Address
6/5/92

President was for Congress to adopt a balanced budget constitutional amendment -- and in each of the three budgets I've submitted since, I've repeated that plea.

Why am I so fiercely dedicated to this issue? Look at your own family. You know what happens when you spend more than you make. The devil's going to come, demanding his due. Well that's what our American family faces right now. When you hear about a deficit measured in hundreds of billions of dollars, remember -- that's not Monopoly money. Some day that debt must be paid with your money -- as sure as your own personal debts will have to be paid with your money. It's unacceptable when this spending riptide has us drowning in debt, dragging us further out to sea.

This amendment will bring us back to shore. It says the government can't spend more than it takes in. Nothing could be more simple. Nothing could be as tough. Nothing could work as well.

It's past time to make this government as accountable with your money in America's house as you must be with your money in your house. 44 states already have some type of constitutional balanced budget requirement. (80%) of the American people want this amendment, and the tougher scrutiny of government spending which it will require. We're fed up. We know it's time for partisan posturing to yield to responsibility to govern. We know it's time to protect our children's children -- and we're impatient to enact this solemn bond between generations.

Well, there's something you can do right now. The House

Steeper, Fred
336-7080 Campaign

4676

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/15/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUES. 6/16 3:00

PRESIDENTIAL REMARKS: INDUSTRIAL LEAGUE OF ORANGE COUNTY
SUBJECT: IRVINE, CA - FRI. 6/19/92 - 1:00 p.m.

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	HORNER	☐	☐
SKINNER	☐	☒	MCBRIDE	☒	☐
SCOWCROFT	☒	☐	MOORE	☒	☐
DARMAN	☒	☐	PETERSMEYER	☒	☐
BRADY	☐	☒	PORTER	☒	☐
BROMLEY	☐	☐	ROLLINS	☐	☐
CALIO	☒	☐	SMITH	☒	☐
DEMAREST	☒	☐	YEUTTER	☐	☒
FITZWATER	☐	☒	FINDLAY	☐	☒
GRAY	☒	☐	KAUFMAN	☐	☒
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June 16, 1992

TO: DAN MCGROARTY

NSC recommends an additional paragraph be added to page 5 (see Insert #1).

cc: Phillip Brady

Brent Scowcroft
Brent Scowcroft

55:9d 91 JUN 26

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Assistant to the President
and Staff Secretary
Ext. 2702

(Hinchliffe/Gershowitz)
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✓

SUGGESTED ADDITION TO PRESIDENT'S
SPEECH TO INDUSTRIAL LEAGUE OF ORANGE COUNTY

INSERT #1 (on page 5)

Trade with Mexico is particularly important for many Southern California companies. I have placed a high priority on improving market access south of the border. We are working hard to negotiate a North American Free Trade Area with Mexico and Canada that will lower trade barriers even further and establish one of the biggest and richest markets in the world with a combined 360 million consumers and \$6 trillion in annual output. The free trade area holds the potential of creating hundreds of thousands of new jobs and strengthening our ability to compete in other overseas markets. Clearly California's dynamic economy is strongly positioned to take advantage of these new trade opportunities.

in a sentence. —

*we'll keep pushing for
NAFTA.*

educated workers. The worldwide high-tech explosion will leave us behind unless we literally reinvent American education -- to turn out the best-prepared workers in this world. To do this, let's borrow a page from business -- let's bring competition into our schools through ideas like school choice. That's how we'll make our schools -- and our future -- the best in the world.

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We will find that greatness. We will shape from inside ourselves a country ready to seize the opportunities the new world economy offers. I believe in that -- I believe in us -- I believe in America. God bless you all.

#

THE WHITE HOUSE

WASHINGTON

June 16, 1992

MEMORANDUM FOR DAN MCGROARTY

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Remarks: Industrial League of Orange County

The draft remarks to the Industrial League of Orange County are forceful. I have noted a few editorial suggestions on the attached draft that I hope will be helpful.

The visit to Aura Systems has been scrapped and all references to Aura System probably should be dropped. ✓

In terms of the tone I have two suggestions:

1. Individuals and institutions legitimately want a measure of security and stability while at the same time recognizing the need for adjustment and change. Great nations are those with a willingness to make adjustments. The speech is heavy on the need for adjustment and change.

But, as drafted, it is a little light on security and stability. A sentence or two, or perhaps a paragraph would be useful to provide some additional reassurance. When we talk about "unexplored terrain," "an entirely different economic world," and "an R&D lab for the whole country because you're figuring out how to shape your own identity in an evolving economy" it can sound to the listener that all we are offering is dynamism and change. ←

Phrases like "the daunting challenge of adapting" and "It'll be tough for a lot of private sector companies" may tend to reinforce the fears people already have. Individuals and families want the reassurance that we have a steady hand on the helm, that we will be there with them helping to keep our economy the most productive in the world.

2. This is a good occasion to talk about the export opportunities in a global economy. We are, after all, now, once again, the world's leading exporting nation.

If you have any questions, please let me know.

cc: Phillip D. Brady

92 JUN 16 4 56 PM '92

Beth -- Roger Porter called re Orange County, and I wanted to pass along this general comment:

Roger thinks the speech leans a bit too much on painting a picture of a daunting, uncertain future. There's a fine line here -- too much change/new/different/etc. can be disconcerting to people who would just as soon settle for a little calm and continuity. Roger would notch back a bit on this -- also, he'd add the word opportunity 2, 3, or 4 more times (in the trade section for instance) to cast the future in a positive, enticing, non-threatening light....

DMcG

DMcG

daunting

You have to
change -

Am. Image -
of So Cal. in
picture
with
opportunities

WHITE HOUSE STAFFING MEMORANDUM

DMH
- TA
- RV
- WM

DATE: 6/15/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUES. 6/16 3:00pm

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 SUBJECT: IRVINE, CA - FRI. 6/19/92 - 1:00 p.m.

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CALIO	☒	☐	SMITH	☒	☐
DEMAREST	☒	☐	YEUTTER	☐	☒
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THIS IS AN ANALOGY USED BY INDUSTRIAL POLICY TYPES.

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We will find that greatness. We will shape from inside ourselves a country ready to seize the opportunities the new world economy offers. I believe in that -- I believe in us -- I believe in America. God bless you all.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/15/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUES. 6/16 3:00pmPRESIDENTIAL REMARKS: INDUSTIRAL LEAGUE OF ORANGE COUNTY
SUBJECT: IRVINE, CA - FRI. 6/19/92 - 1:00 p.m.

	ACTION	FYI		ACTION	FYI
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DARMAN	☒	☐	PETERSMEYER	☒	☐
BRADY	☐	☒	PORTER	☒	☐
BROMLEY	☐	☐	ROLLINS	☐	☐
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DEMAREST	☒	☐	YEUTTER	☐	☒
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BOSKIN	☒	☐			

REMARKS:

Please forward your comments directly to Dan McGroarty, RM. 122, x2930, no later than 3:00 p.m., TUESDAY, JUNE 16, with a copy to this office. Thank you.

RESPONSE:

No comments (R. Brady may respond at a later time)

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

(Hinchliffe/Gershowitz)
June 15, 1992 4 p.m.
DOD Draft Two

2 JUN 15 P5:09
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FRIDAY, JUNE 19, 1992 1 P.M.
IRVINE HYATT, IRVINE, CALIFORNIA**

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Three days ago, I sat in the Oval Office with Russia's freely elected President, Boris Yeltsin, and we spoke of the dreams we share for our people. It was an extraordinary moment. Just think how in the last few years we've witnessed great gains for democracy -- events we scarcely dreamed would take place in our lifetimes. We're closer than ever to the people of every nation, rejoicing as one at the new breeze of freedom which swept the globe, scattering the last dust of grim totalitarianism.

But there are new challenges we face in the unexplored post-Cold War terrain. There are still pioneer days ahead. You know, at one point in the movie called "Awakenings," a fellow who's

been asleep for decades finally wakes up and has the whole world in front of him. When his doctor asks him what he wants to do that day, his face breaks into a huge grin and he shouts:

"Everything!" That's the spirit we need to call up right now -- that purely American belief in a future that knows no limits.

We're entering an entirely different economic world than the one we grew up in -- and that unbeatable spirit is what's going to lead us to success. William Jennings Bryan captured that bold spirit when he said: **"Destiny is not a matter of chance -- it's a matter of choice. It is not a thing to be waited for -- it is a thing to be achieved."**

I've seen how Californians are achieving your destiny. You're not waiting for chance -- you're making the choice. That's what we must do all over this land. For 200 years, our prosperity has sprung from our ability to innovate, to create, to change as the world changes. That's the heart of entrepreneurial capitalism -- a heart I hear beating right here in Orange County.

This place is almost like an R&D lab for the whole country, because you're figuring out how to shape your own identity in an evolving economy. This area is packed with successful examples of the technological transition from the Cold War to the era of global economic competition -- you're using systems developed for national defense to take aim at commercial markets worldwide.

As the defense department "downsizes" in the new post-Cold War era, you face the daunting challenge of adapting from the military to the competitive civilian market. It'll be tough for

a lot of private sector companies, and their employees.

But I've seen examples of some remarkably creative thinking. During the Cold War, the military essentially funded the development of new manufacturing techniques. Now, led by Orange County, companies are demonstrating astounding innovation in turning these techniques to new uses in the civilian market.

The proof is all around us. Hughes Aircraft is applying the military's Global Positioning Satellite System to a new procedure controlling shipping traffic along our coastal waters. McDonnell Douglas is using the SDI-funded SSTO program to dramatically reduce costs of reaching into orbit -- this will ensure that we lead the world's commercial aerospace industry. Rockwell is developing ways of using SDI's high-tech offshoots to give us smart cars and smart freeways, breaking gridlock on our highways -- that's certainly good news for Southern California. \\\

And I just came from visiting Aura Systems. I got to see up close how this small company is thriving: why they're hiring when so many others are firing. It's because they're able to adapt. They're at the cutting edge of the post-Cold War era, leading the drive to transform this world into a productive peace.

But while we look ahead to these exciting new horizons there is one critical element we must never forget. Just because the Cold War is over doesn't mean that our need for the strongest defense is over, too. That need may change, but it will never disappear. Look at the threat posed by terrorists -- by renegade regimes -- by global uncertainties. Well, because companies like

these in Orange County continue to develop and use technology begun for defense, our next generation of the military will find that the technology has continued to evolve. We need not fear for our defense -- for our children -- for our future.

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Ext. 2702

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(Hinchliffe/Gershowitz)
June 15, 1992 4 p.m.
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#

Hi Dan --

Here's the latest version -- I've highlighted the info from Chris Cox. I've incorporated just about everything Roger Porter suggested -- and the other staffing comments. I'm actually really pleased -- I think this comes together better.

I held off on putting in the Congressmen acknowledgements because it's now uncertain if they'll be there -- vote on Friday.

except for NSC
what to do?
what to do?
what to do?
what to do?

Beth

Dan-

Please see our changes
on last page

CC VOET

6/16 7:70AM

Document No. 333428ss

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SANCHEZ

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We will find that greatness. We will shape from inside ourselves a country ready to seize the opportunities the new world economy offers. I believe in that -- I believe in us -- I believe in America. God bless you all.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/15/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUES. 6/16 3:00pmSUBJECT: PRESIDENTIAL REMARKS: INDUSTRIAL LEAGUE OF ORANGE COUNTY
IRVINE, CA - FRI. 6/19/92 - 1:00 p.m.

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	HORNER	☐	☐
SKINNER	☐	☒	MCBRIDE	☒	☐
SCOWCROFT	☒	☐	MOORE	☒	☐
DARMAN	☒	☐	PETERSMEYER	☒	☐
BRADY	☐	☒	PORTER	☒	☐
BROMLEY	☐	☐	ROLLINS	☐	☐
CALIO	☒	☐	SMITH	☒	☐
DEMAREST	☒	☐	YEUTTER	☐	☒
FITZWATER	☐	☒	FINDLAY	☐	☒
GRAY	☒	☐	KAUFMAN	☐	☒
HOLIDAY	☒	☐	MCGROARTY	☐	☒
BOSKIN	☒	☐			

REMARKS:

Please forward your comments directly to Dan McGroarty, RM. 122, x2930, no later than 3:00 p.m., TUESDAY, JUNE 16, with a copy to this office. Thank you.

RESPONSE:

Comments included - pl

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

(Hinchliffe/Gershowitz)
June 15, 1992 4 p.m.
DOD Draft Two

2 JUN 15 P5:09
PRESIDENTIAL REMARKS:

INDUSTRIAL LEAGUE OF ORANGE COUNTY
FRIDAY, JUNE 19, 1992 1 P.M.
IRVINE HYATT, IRVINE, CALIFORNIA

(ACKNOWLEDGMENTS) And I'm proud to be standing here with three men who are solid, strong leaders not only for Orange County, but for this country. **Bob Dornan** -- a real champion of American values, who's been at my side in every election -- an aggressive spokesman for the things we believe in. **Chris Cox** -- an innovative, creative Congressman who embodies the vibrant, entrepreneurial spirit of this area -- he's pushing great new ideas like Turbo Enterprise Zones, and is a real champion of budget reform. And **Dana Rohrbacher** -- glad to see you could take some time off from surfing -- he's deeply involved in what I want to talk to you about today -- our nation's transition into the post-Cold War era, and what this means to a competitive economy.

Three days ago, I sat in the Oval Office with Russia's freely elected President, Boris Yeltsin, and we spoke of the dreams we share for our people. It was an extraordinary moment. Just think how in the last few years we've witnessed great gains for democracy -- events we scarcely dreamed would take place in our lifetimes. We're closer than ever to the people of every nation, rejoicing as one at the new breeze of freedom which swept the globe, scattering the last dust of grim totalitarianism.

But there are new challenges we face in the unexplored post-Cold War terrain. There are still pioneer days ahead. You know, at one point in the movie called "Awakenings," a fellow who's

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cute
Change
this!
Hayman
x2/35

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"Everything!" That's the spirit we need to call up right now -- that purely American belief in a future that knows no limits.

We're entering an entirely different economic world than the one we grew up in -- and that unbeatable spirit is what's going to lead us to success. William Jennings Bryan captured that bold spirit when he said: "Destiny is not a matter of chance -- it's a matter of choice. It is not a thing to be waited for -- it is a thing to be achieved."

I've seen how Californians are achieving your destiny. You're not waiting for chance -- you're making the choice. That's what we must do all over this land. For 200 years, our prosperity has sprung from our ability to innovate, to create, to change as the world changes. That's the heart of entrepreneurial capitalism -- a heart I hear beating right here in Orange County.

This place is almost like an R&D lab for the whole country, because you're figuring out how to shape your own identity in an evolving economy. This area is packed with successful examples of the technological transition from the Cold War to the era of global economic competition -- you're using systems developed for national defense to take aim at commercial markets worldwide.

As the defense department "downsizes" in the new post-Cold War era, you face the daunting challenge of adapting from the military to the competitive civilian market. It'll be tough for

a lot of private sector companies, and their employees.

But I've seen examples of some remarkably creative thinking. During the Cold War, the military essentially funded the development of new manufacturing techniques. Now, led by Orange County, companies are demonstrating astounding innovation in turning these techniques to new uses in the civilian market.

The proof is all around us. Hughes Aircraft is applying the military's Global Positioning Satellite System to a new procedure controlling shipping traffic along our coastal waters. McDonnell Douglas is using the SDI-funded SSTO program to dramatically reduce costs of reaching into orbit -- this will ensure that we lead the world's commercial aerospace industry. Rockwell is developing ways of using SDI's high-tech offshoots to give us smart cars and smart freeways, breaking gridlock on our highways -- that's certainly good news for Southern California. \\

And I just came from visiting Aura Systems. I got to see up close how this small company is thriving: why they're hiring when so many others are firing. It's because they're able to adapt. They're at the cutting edge of the post-Cold War era, leading the drive to transform this world into a productive peace.

But while we look ahead to these exciting new horizons there is one critical element we must never forget. Just because the Cold War is over doesn't mean that our need for the strongest defense is over, too. That need may change, but it will never disappear. Look at the threat posed by terrorists -- by renegade regimes -- by global uncertainties. Well, because companies like

these in Orange County continue to develop and use technology begun for defense, our next generation of the military will find that the technology has continued to evolve. We need not fear for our defense -- for our children -- for our future.

In the meantime, look how one company is successfully making the post-Cold War transition to replace disappearing defense contracts. Aura Systems started as a military R&D company, doing virtually 100% DoD work. Now, they've won civilian contracts that make up 80% of their work. They have seen the future -- they're using their military-developed technology to beat weapons into ploughshares. For instance, their imagination has led them to use SDI-funded work on electromagnetics to develop vibrationless jackhammers -- and precision instruments used in cataract surgery. And they're applying their military electro-optics technology to improve commercial telecommunications.

These Orange County companies lead us because they're not stuck in the old ways of thinking. They're not afraid to take risks. Look what happens to companies who want to be the biggest fish in the pond -- but who are afraid to be the first to dive in. Companies willing to maneuver and adapt to changing marketplace realities survive. Dinosaurs are fated to die. \\

Of course, this transformation is not going to be easy. The new world economy of the 21st century will be a new age of American competition in a fiercely challenging global marketplace. And we simply have to make some changes if we expect to compete. We have to realize the intensified need for sophisticated, well-

educated workers. The worldwide high-tech explosion will leave us behind unless we literally reinvent American education -- to turn out the best-prepared workers in this world. To do this, let's borrow a page from business -- let's bring competition into our schools through ideas like school choice. That's how we'll make our schools -- and our future -- the best in the world.

We have a huge challenge ahead of us. But we can more than match it if we remember what FDR said a half-century ago: "The only limit to our realization of tomorrow will be our doubts of today."

I am absolutely committed to using every resource I can to pave our way into the future. Right now, I'll fight for measures to add jobs -- actions like encouraging investments through the capital gains tax cut; increasing jobs by reducing regulations; and encouraging trade and opening markets abroad. You know first-hand how important that is. California leads this nation in exports -- accounting for one out of every seven U.S. export dollars. Just last year -- in an 8% increase over 1990 -- this state exported over \$63 billion in goods. And, in all, your ports handled two-way trade values at nearly \$175 billion -- creating jobs up and down this golden coast.

Long-term, Washington must have the courage to do the hard work of government -- work which requires a little less self-interest and a lot more discipline than most elected officials currently show. I'm talking about whipping government spending into control. I'm talking about being brave enough to launch a

genuine, strong effort to reduce runaway spending and to enforce disciplinary measures. I'm talking about real government reform.

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#

CHRISTOPHER COX

CALIFORNIA

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION

SUBCOMMITTEES:

AVIATION

SURFACE TRANSPORTATION

PUBLIC BUILDINGS AND GROUNDS

COMMITTEE ON GOVERNMENT OPERATIONS

RANKING MINORITY, SUBCOMMITTEE ON

GOVERNMENT ACTIVITIES AND TRANSPORTATION

**Congress of the United States
House of Representatives**412 CANNON BUILDING
WASHINGTON, DC 20515-0540
(202) 225-56114000 MACARTHUR BOULEVARD
EAST TOWER, SUITE 430
NEWPORT BEACH, CA 92660
(714) 756-2244CHAIRMAN:
TASK FORCE ON
CAPITAL MARKETSCO-CHAIRMAN:
TASK FORCE ON
BUDGET PROCESS REFORM**CONGRESSMAN CHRIS COX
FAX COVER SHEET**

phone # 202 225-5611 fax # 202 225-9177

Date 6.16.92 Time 6:30To Beth HinchliffFrom Chris CoxFax # 456-6218Number of Pages, including coversheet 4

Message:

CHRISTOPHER COX

40TH DISTRICT, CALIFORNIA

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION

SUBCOMMITTEES:

SURFACE TRANSPORTATION

WATER RESOURCES

PUBLIC BUILDINGS AND GROUNDS

ECONOMIC DEVELOPMENT

COMMITTEE ON GOVERNMENT OPERATIONS

SUBCOMMITTEES:

GOVERNMENT ACTIVITIES AND TRANSPORTATION

COMMERCE, CONSUMER, AND MONETARY AFFAIRS



Congress of the United States
House of Representatives

412 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-5811

4000 MACARTHUR BOULEVARD
EAST TOWER, SUITE 430
NEWPORT BEACH, CA 92660
(714) 756-2244

CHAIRMAN:
TASK FORCE ON
CAPITAL MARKETS

CO-CHAIRMAN:
TASK FORCE ON
BUDGET PROCESS REFORM

THE POWER OF THE MARKET.

ORANGE COUNTY,
THE RICHEST MAJOR MARKET IN SOUTHERN CALIFORNIA,
NATIONALLY RANKS...

2ND: RETAIL SALES (IN THE WEST)—\$17.8 BILLION

4TH: NEW CAR SALES*

4TH: DINING OUT—\$2.9 BILLION

8TH: MEDIAN HOUSEHOLD SPENDABLE INCOME—\$37,096

9TH: HOUSEHOLD INCOME OF \$50,000+

10TH: EFFECTIVE BUYING INCOME—\$38 BILLION

12TH: BANK AND S&L DEPOSITS—\$38 BILLION**

13TH: GROCERY SALES—\$3.2 BILLION

14TH: DEPARTMENT STORE SALES—\$1.7 BILLION

(Hinchliffe/Gershowitz)
June 17, 1992 2 p.m.
DOD Draft Four

**PRESIDENTIAL REMARKS: INDUSTRIAL LEAGUE OF ORANGE COUNTY
FRIDAY, JUNE 19, 1992 1 P.M.
IRVINE HYATT, IRVINE, CALIFORNIA**

[ACKNOWLEDGEMENTS] I'm proud to be standing here with three men who are solid, strong leaders not only for Orange County, but for this country. **Bob Dornan**: a real champion of American values, who's been at my side in every election, an aggressive spokesman for the things we believe in. **Chris Cox**: an innovative, creative Congressman who embodies the vibrant, entrepreneurial spirit of this area -- he's pushing great new ideas like Turbo Enterprise Zones, and is dedicated to budget reform. And **Dana Rohrbacher**, fresh off his surfboard: he's deeply involved in what I want to talk to you about today -- our nation's transition into the post-Cold War era, and what this means to a competitive economy.

Three days ago I met at the White House with Russia's freely elected President, Boris Yeltsin. We rejoiced at the new breeze of freedom which has swept the globe, scattering the last dust of grim totalitarianism. And we spoke of the dreams we share for our people. [ADD ANECDOTE/DETAIL FROM PRIVATE TIME WITH YELTSIN]

It was an extraordinary moment in history. We stood next to each other in the Rose Garden and together announced the end to a generation's nuclear nightmare. Our agreement will lead to the greatest arms reductions of the nuclear age -- reductions far deeper than we could have hoped for even six months ago. Think of what that means -- not for presidents, not for heads of state, not for historians -- but for parents and for their children. It

means a future free from fear -- a miracle for mankind.

As I travel across this country after this historic summit, I see what our nuclear agreement means in the daily life of every American. With the threat of the Cold War behind us, we now have the freedom to focus on the concerns that trouble us at home. And with the new partnership of peace we've forged with Russia, we have the chance to expand trade -- to create jobs and opportunities that will benefit both our nations.

But while we look ahead to these exciting new horizons there is one critical element we must never forget. Just because the Cold War is over doesn't mean that our need for the strongest defense is over, too. That need may change, but it will never disappear. Look at the threat posed by terrorists -- by renegade regimes -- by global uncertainties. We will continue to invest in military R&D. And we will depend upon companies like many in Orange County, who will continue to develop and use technology that was begun for defense, but will now be used for commercial products as well. As a result, our next generation of the military will find that they have the technology they need. We need not fear for our defense; for our children; for our future.

But there are new challenges we face in the post-Cold War terrain. There are still pioneer days ahead. At one point in the movie "Awakenings," a fellow who's been asleep for decades finally wakes up and has the whole world in front of him. When his doctor asks him what he wants to do that day, his face breaks into a huge grin and he shouts: "Everything!" That's the spirit

we need to call up right now -- that purely American belief in a future that knows no limits.

But the fact is: we're entering a different economic world than the one we grew up in. William Jennings Bryan captured the bold spirit which will lead us to success when he said: "Destiny is not a matter of chance -- it's a matter of choice. It is not a thing to be waited for -- it is a thing to be achieved."

I've seen how Californians are achieving your destiny. You're not waiting for chance -- you're making the choice. That's what we must do all over this land. For 200 years, our prosperity has sprung from our ability to innovate, to create, to change as the world changes. That's the heart of entrepreneurial capitalism -- a heart I hear beating right here in Orange County.

This place is almost like an R&D lab for the whole country, because you're figuring out how to shape your own identity in an evolving economy. All around us here are successful examples of the technological transition from the Cold War to the era of global economic competition. As the defense department "down-sizes," you face the challenge of adapting from the military to the competitive civilian market. It's tough for private sector companies and employees -- but this administration is firmly behind you, with a steady hand on this nation's helm. Together we will keep our economy the most productive in this world.

I've seen examples here of some remarkably creative thinking. During the Cold War, the military essentially funded the development of new manufacturing techniques. Now, you're demonstrating

astounding innovation in turning these systems developed for national defense to take aim at the commercial market worldwide.

The proof is right here. Hughes Aircraft is applying the military's Global Positioning Satellite System to a new procedure controlling shipping traffic along our coastal waters. McDonnell Douglas' SDIO-funded Delta Clipper Program will dramatically reduce costs of reaching into orbit -- this will ensure that we lead the world's commercial aerospace industry. Rockwell is developing ways of using SDI's high-tech offshoots to give us smart cars and smart freeways, breaking gridlock on our highways -- that's certainly good news for Southern California.

The more closely we look at these companies, the more we understand why they're thriving -- why they're hiring when so many others are firing. It's because they're able to adapt. They're at the cutting edge of the post-Cold War era, leading the drive to transform this world into a productive peace.

And defense conversion has put you back in the business of job creation: a skill you mastered in the 80s, with all the high-tech startups that made this area famous. Now you're redefining it for the 90s. But for Orange County, job creation doesn't mean job-training -- your workers are already the most qualified in our labor force. What they need is opportunity. If we give a budding entrepreneur a chance, he'll bring training, experience and old-fashioned American ^{INSPIRATION} ~~hunger~~ to his own business -- and create jobs for dozens, maybe even hundreds, of fellow workers.

[As a nation, we must support these risk-takers -- for their

vision of today will be our future of tomorrow. Venture capital has dried up, so we must take action to get it flowing again. We must create new jobs by stimulating private sector investment and we'll do this by pushing Congress to slash the capital gains tax ^{by providing passive loss relief for R-E developers} -- by getting rid of passive loss rules for venture capital -- by making the Research and Experimentation tax credit permanent.

Already, we've introduced our National Technology Initiative, to bring government officials together with private businesses to let them know what government can offer in technology. This moves new discoveries out of federal laboratories, into the marketplace to create new jobs -- that's what this is all about.

Of course, this transformation is not going to be easy. The world economy of the 21st century will be a new age of American competition in a fiercely challenging global marketplace. And we simply have to make some changes if we expect to compete. We have to realize the intensified need for sophisticated, well-educated workers. The worldwide high-tech explosion will leave us behind unless we literally reinvent American education -- to turn out the best-prepared workers in this world. To do this, let's borrow a page from business -- let's bring competition into our schools through ideas like school choice. That's how we'll make our schools -- and our future -- the best in the world.

We have a huge challenge ahead. But we can more than meet it if we remember what FDR said a half-century ago: "The only limit to our realization of tomorrow will be our doubts of today."

I'll use every resource to pave our way into the future. For

-- by providing ~~passive~~ passive loss relief for real estate developers --

pg. 13

has not
been
proposed
& it's
heavy

example, I'm announcing an important regulatory change that will help many companies with defense-related businesses make the transition to the post-Cold War era. One unnecessary obstacle has been the "recoupment" fee, or tax, that DoD charges on military and commercial products sold to customers other than the U.S. government. These fees hurt American workers by making it more difficult for them to compete for business here and abroad. Given the historic changes we've seen during the last year, this burden is no longer justified. So today (I direct my Secretary of Defense to take what actions he can to eliminate these fees.

In addition, I will continue to fight to create more American jobs by encouraging trade and opening markets abroad. You know how vital that is since America is the world's leading exporting nation, and California leads America, accounting for one of every ^{seven} ~~eight~~ U.S. export dollars. Just last year -- a 13% increase over 1990 -- this state exported over \$50 billion in goods, creating jobs up and down this golden coast.

I will keep pushing for NAFTA, to lower trade barriers even further and establish one of the biggest and richest markets in the world, with the potential of creating hundreds of thousands of jobs. The opportunities for export success in this new global economy are virtually unlimited -- and tremendously exciting.

Long-term, Washington must have the courage to do the hard work of government -- work which requires a little less self-interest and a lot more discipline than most elected officials currently show. I'm talking about whipping government spending

into control. I'm talking about being brave enough to launch a genuine, strong effort to reduce runaway spending and to enforce disciplinary measures. I'm talking about real government reform.

We must begin by forcing Congressmen to come down from their ivory tower, down off Capitol Hill to listen to the American people, nearly 80% of whom support the balanced budget amendment. Voters are saying to Congress: "You're borrowing from the future to pay for indulgences of the present and we won't stand for it any more." For years, I've called for a balanced budget amendment because to ensure long-term economic growth we must get federal spending under control. High deficits raise interest rates -- high interest rates kill jobs -- a ransomed future kills hope.

We will let nothing threaten our hope. We'll bequeath to our next generation the proudest legacies that make up the essence of our great national spirit -- the inheritance that made us strong -- the American legacies of jobs, family and peace.

And we will act with determination. As a nation, we will chart the course that will guide America into the world of the new century -- a world in which defeatism produces defeat, but where confidence and self-reliance produce greatness.

We will find that greatness. We will shape from inside ourselves a country ready to seize the opportunities the new world economy offers. I believe in that -- I believe in us -- I believe in America. God bless you all.

#

Document No. 333428ss

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/15/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUES. 6/16 3:00pmPRESIDENTIAL REMARKS: INDUSTIRAL LEAGUE OF ORANGE COUNTY
SUBJECT: IRVINE, CA - FRI. 6/19/92 - 1:00 p.m.

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	HORNER	☐	☐
SKINNER	☐	☒	MCBRIDE	☒	☐
SCOWCROFT	☒	☐	MOORE	☒	☐
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FITZWATER	☐	☒	FINDLAY	☐	☒
GRAY	☒	☐	KAUFMAN	☐	☒
HOLIDAY	☒	☐	MCGROARTY	☐	☒
BOSKIN	☒	☐			

REMARKS:

Please forward your comments directly to Dan McGroarty, RM. 122, x2930, no later than 3:00 p.m., TUESDAY, JUNE 16, with a copy to this office. Thank you.

RESPONSE:

See Defense comments and memo. Thanks
 PE
 Paul Korfanta
 06/17

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



OFFICE OF THE SECRETARY OF DEFENSE

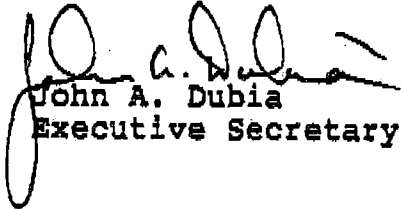
WASHINGTON, DC 20301-1000

17 JUN 1992

MEMORANDUM FOR MR. PAUL KORFONTA, OFFICE OF CABINET AFFAIRS,
THE WHITE HOUSE

SUBJECT: REQUEST FOR COMMENTS ON THE PRESIDENT'S 19 JUNE
INDUSTRIAL LEAGUE OF ORANGE COUNTY SPEECH

The Department of Defense has reviewed the subject speech as requested. Provided all references to Aura Systems are deleted, the only changes we would recommend are on pages 3 and 4, attached. Should you have any further questions in this regard, please do not hesitate to contact me at (703) 695-0825.


John A. Dubia
Executive Secretary

Attachment

(Hinchliffe/Gershowitz)
June 15, 1992 4 p.m.
DOD Draft Two

2 JUN 15 P5:09
PRESIDENTIAL REMARKS: INDUSTRIAL LEAGUE OF ORANGE COUNTY
FRIDAY, JUNE 19, 1992 1 P.M.
IRVINE HYATT, IRVINE, CALIFORNIA

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Three days ago, I sat in the Oval Office with Russia's freely elected President, Boris Yeltsin, and we spoke of the dreams we share for our people. It was an extraordinary moment. Just think how in the last few years we've witnessed great gains for democracy -- events we scarcely dreamed would take place in our lifetimes. We're closer than ever to the people of every nation, rejoicing as one at the new breeze of freedom which swept the globe, scattering the last dust of grim totalitarianism.

But there are new challenges we face in the unexplored post-Cold War terrain. There are still pioneer days ahead. You know, at one point in the movie called "Awakenings," a fellow who's

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been asleep for decades finally wakes up and has the whole world in front of him. When his doctor asks him what he wants to do that day, his face breaks into a huge grin and he shouts:

"Everything!" That's the spirit we need to call up right now -- that purely American belief in a future that knows no limits.

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To meet that threat, we will continue to invest in military R&D. However, that investment will do more than just support our national defense. Why?

put for commercial products as well. As a result,
will 4
these in Orange County continue to develop and use technology begun for defense, our next generation of the military will find that *they have* the technology *they need* ~~has continued to evolve~~. We need not fear for our defense -- for our children -- for our future.

In the meantime, look how one company is successfully making the post-Cold War transition to ~~replace disappearing defense~~ *offset fewer* contracts. Aura Systems started as a military R&D company, doing virtually 100% DoD work. Now, they've won civilian contracts that make up 80% of their work. They have seen the future -- they're using their military-developed technology to beat weapons into ploughshares. For instance, their imagination has led them to use SDI-funded work on electromagnetics to develop vibrationless jackhammers -- and precision instruments used in cataract surgery. And they're applying their military electro-optics technology to improve commercial telecommunications.

These Orange County companies lead us because they're not stuck in the old ways of thinking. They're not afraid to take risks. Look what happens to companies who want to be the biggest fish in the pond -- but who are afraid to be the first to dive in. Companies willing to maneuver and adapt to changing marketplace realities survive. Dinosaurs are fated to die. \\\

Of course, this transformation is not going to be easy. The new world economy of the 21st century will be a new age of American competition in a fiercely challenging global marketplace. And we simply have to make some changes if we expect to compete. We have to realize the intensified need for sophisticated, well-

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educated workers. The worldwide high-tech explosion will leave us behind unless we literally reinvent American education -- to turn out the best-prepared workers in this world. To do this, let's borrow a page from business -- let's bring competition into our schools through ideas like school choice. That's how we'll make our schools -- and our future -- the best in the world.

We have a huge challenge ahead of us. But we can more than match it if we remember what FDR said a half-century ago: "The only limit to our realization of tomorrow will be our doubts of today."

I am absolutely committed to using every resource I can to pave our way into the future. Right now, I'll fight for measures to add jobs -- actions like encouraging investments through the capital gains tax cut; increasing jobs by reducing regulations; and encouraging trade and opening markets abroad. You know first-hand how important that is. California leads this nation in exports -- accounting for one out of every seven U.S. export dollars. Just last year -- in an 8% increase over 1990 -- this state exported over \$63 billion in goods. And, in all, your ports handled two-way trade values at nearly \$175 billion -- creating jobs up and down this golden coast.

Long-term, Washington must have the courage to do the hard work of government -- work which requires a little less self-interest and a lot more discipline than most elected officials currently show. I'm talking about whipping government spending into control. I'm talking about being brave enough to launch a

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genuine, strong effort to reduce runaway spending and to enforce disciplinary measures. I'm talking about real government reform.

We must begin by forcing Congressmen to come down from their ivory tower, down off Capitol Hill to listen to the American people -- 77% of whom support the balanced budget amendment. Voters are saying to Congress: "We know you're borrowing from the future to pay for indulgences of the present and we won't stand for this any more." For years now, I've called for a balanced budget amendment because to ensure long-term economic growth we must get federal spending under control. High deficits raise interest rates -- high interest rates kill jobs -- a ransomed future kills hope.

When I was visiting Aura Systems this morning, I was struck by its motto: "The Link Between Problem and Solution." Well, we all have the chance to be that link for our country. We have the chance to guide America into the world of the new century -- a world in which defeatism produces defeat, but where confidence and self-reliance produce greatness.

We will find that greatness. We will shape from inside ourselves a country ready to seize the opportunities the new world economy offers. I believe in that -- I believe in us -- I believe in America. God bless you all.

#

BeR.

stare w/ first graph of acknowls

then go to full page on Yeltsin:

aim is the drama, historic importance of arms cuts.

- 1) nuclear threat lower than ever before -- good for our kids, etc
- 2) chance now with the Cold War behind us to focus on the concerns close to home that we care about
- 3) chance to expand trade -- to create jobs and opportunities that will benefit both America and Russia.

then, move up graph reminding of the need for strong defense.

Then transition -- I know this change has brought difficult times for Capifornia....

back to speech

DMcH

You're not waiting for chance -- you're making the choice.

That's what we must do all over this land. For 200 years, our prosperity has sprung from our ability to innovate, to create, to change as the world changes. That's the heart of entrepreneurial capitalism -- a heart I hear beating right here in Orange County.

This place is almost like an R&D lab for the whole country, because you're figuring out how to shape your own identity in an evolving economy. This area is packed with successful examples of the technological transition from the Cold War to the era of global economic competition. As the defense department "down-sizes," you face the challenge of adapting from the military to the competitive civilian market. It'll be tough for a lot of private sector companies and their employees: but we will come through this strong. (This administration is firmly behind you, with a steady hand on this nation's helm -- and together we will keep our economy the most productive in this world.)

I've seen examples here of some remarkably creative thinking. During the Cold War, the military essentially funded the development of new manufacturing techniques. Now, you're demonstrating astounding innovation in turning these systems developed for national defense to take aim at the commercial market worldwide.

The proof is all around us. Hughes Aircraft is applying the military's Global Positioning Satellite System to a new procedure controlling shipping traffic along our coastal waters. McDonnell Douglas' SDIO-funded Delta Clipper Program will dramatically reduce costs of reaching into orbit -- this will ensure that we

lead the world's commercial aerospace industry. Rockwell is developing ways of using SDI's high-tech offshoots to give us smart cars and smart freeways, breaking gridlock on our highways -- that's certainly good news for Southern California.

The more closely we look at these companies, the more we understand why they're thriving -- why they're hiring when so many others are firing. It's because they're able to adapt. They're at the cutting edge of the post-Cold War era, leading the drive to transform this world into a productive peace.

But while we look ahead to these exciting new horizons there is one critical element we must never forget. Just because the Cold War is over doesn't mean that our need for the strongest defense is over, too. That need may change, but it will never disappear. Look at the threat posed by terrorists -- by renegade regimes -- by global uncertainties. Well, because companies like these in Orange County continue to develop and use technology begun for defense, our next generation of the military will find that the technology has continued to evolve. We need not fear for our defense -- for our children -- for our future.

For now, we can learn from companies here who successfully made the post-Cold War transition to replace disappearing defense contracts. Some were military R&D companies doing virtually 100% DoD work. Now, they've won civilian contracts that make up the majority of their work. They've seen the future -- they're using military-developed technology to beat weapons into ploughshares. ✓

They lead because they're not stuck in the old ways of

thinking. They're not afraid to take risks. Look what happens to companies who want to be the biggest fish in the pond -- but who are afraid to be the first to dive in. Companies willing to maneuver and adapt to changing marketplace realities survive. Dinosaurs are fated to die.

Orange County will prove this truth. Defense conversion has put you back in the business of job creation. It's a skill you mastered in the '80s, with all the high-tech startups that made this area famous. Now you're redefining it for the '90s.

But here job creation doesn't mean job-training -- your workers are already the most qualified in our labor force. What they need is opportunity. If we give a budding entrepreneur a chance, he'll bring training and experience and old-fashioned

American hunger to his own business: and create jobs for dozens *- maybe even hundreds -* of fellow workers. As a nation, we must support these risk-

takers: for their vision of today will be our future of tomorrow.

Venture capital has dried up -- so we must take action to get it

flowing again. We must create new jobs by stimulating private

sector investment and we'll do this by *pushing Congress to* slashing capital gains tax

-- by getting rid of passive loss rules for venture capital -- by

making the Research and Experimentation tax credit permanent.

Already ~~and~~ we've introduced our National Technology Initiative, to bring government officials together with private businesses to

let them know what government can offer in technology. This will

move developments out of *Federal* ~~the~~ laboratory *is* and into the marketplace

to create new jobs -- and that's what this is all about.

Of course, this transformation is not going to be easy. The world economy of the 21st century will be a new age of American competition in a fiercely challenging global marketplace. And we simply have to make some changes if we expect to compete. We have to realize the intensified need for sophisticated, well-educated workers. The worldwide high-tech explosion will leave us behind unless we literally reinvent American education -- to turn out the best-prepared workers in this world. To do this, let's borrow a page from business -- let's bring competition into our schools through ideas like school choice. That's how we'll make our schools -- and our future -- the best in the world.

We have a huge challenge ahead. But we can more than meet it if we remember what FDR said a half-century ago: **"The only limit to our realization of tomorrow will be our doubts of today."**

I'll use every resource to pave our way into the future. I will fight to create more American jobs by encouraging trade and opening markets abroad. You know how vital that is since America is the world's leading exporting nation, and California leads America, accounting for one of every seven U.S. export dollars. Just last year, an 8% increase over 1990, this state exported over \$63 billion in goods, creating jobs up and down this golden coast. The opportunities for export success in this new global economy are virtually unlimited -- and tremendously exciting.

Long-term, Washington must have the courage to do the hard work of government -- work which requires a little less self-interest and a lot more discipline than most elected officials

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currently show. I'm talking about whipping government spending into control. I'm talking about being brave enough to launch a genuine, strong effort to reduce runaway spending and to enforce disciplinary measures. I'm talking about real government reform.

We must begin by forcing Congressmen to come down from their ivory tower, down off Capitol Hill to listen to the American people, nearly 80% of whom support the balanced budget amendment. Voters are saying to Congress: "You're borrowing from the future to pay for indulgences of the present and we won't stand for it any more." For years, I've called for a balanced budget amendment because to ensure long-term economic growth we must get federal spending under control. High deficits raise interest rates -- high interest rates kill jobs -- a ransomed future kills hope.

We will let nothing threaten our hope. We will leave to our next generation the proudest legacies that make up the essence of our great American spirit. We will pass on the inheritance that made us strong: the American legacies of jobs, family and peace.

And we will act with determination. As a nation, we will chart the course that will guide America into the world of the new century -- a world in which defeatism produces defeat, but where confidence and self-reliance produce greatness.

We will find that greatness. We will shape from inside ourselves a country ready to seize the opportunities the new world economy offers. I believe in that -- I believe in us -- I believe in America. God bless you all.

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✓ Rec'd from Legal
6/17/92
9 AM

Insert on p. 5, after 1st sentence of second full paragraph:

✓ [As an example of that commitment, I am pleased to announce an important regulatory change -- a change that will help many companies with defense-related businesses make the transition to the post-Cold War era. One unnecessary obstacle to this transition is the so-called "recoupment" fee -- or tax -- that the Department of Defense charges on military and commercial products sold to customers other than the U.S. government. These fees hurt American workers by making it more difficult for their employers to compete for business here and abroad. This burden is no longer justified given the historic changes we have seen during the last year.]

(Accordingly, I am today directing my Secretary of Defense to take what action he can to eliminate these fees. ^{je} For commercial products, we will eliminate all fees immediately. We will also immediately eliminate all recoupment fees for military equipment other than "major defense equipment" exported for military use. For the latter category of defense equipment, we will move expeditiously to eliminate all fees that are not specifically required by law. And next week I will propose legislation to eliminate the remaining fees.]

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DoD + STATE

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CONGRESSMAN CHRISTOPHER COX

Republican of California
Biography

Many on Capitol Hill dream of moving down Pennsylvania Avenue to the White House. But Chris Cox, who was then a White House counsel to President Reagan, spent 1988 moving the other way--up that street to Congress.

Currently completing his second term in the U.S. House of Representatives, Congressman Chris Cox has twice been elected with almost 70% of the popular vote. He won his most recent election with the highest margin of victory of all California Republicans in a contested Congressional race. Unlike almost every other office holder in California, he was unaffected by the general anti-incumbent mood of 1990: Chris Cox was one of only two Republican incumbents statewide who increased his margin of victory that year.

In his four years in Congress, Chris Cox has established himself as a leading advocate of economic growth through lower taxes, free enterprise, and limited government. Congressman Cox serves as Chairman of the Congressional Grace Caucus, dedicated to enacting the cost-cutting recommendations of the Grace Commission. He also serves, with Congressman Sonny Calahan of Alabama, as Co-Chairman of the Task Force on Budget Process Reform. He has earned praise nationwide for his efforts to thoroughly overhaul the broken-down federal budget process. His landmark bill, the Budget Process Reform Act, is now sponsored by over 150 members of the House and Senate.

These efforts have not gone unnoticed: Each year since 1988, Congressman Cox has earned the prestigious "Golden Bulldog" Award from the Watchdogs of the Treasury, for his consistent votes to stop runaway government spending. He has also been named a "Hero to the Taxpayer" by the 500,000-member grassroots lobbying group, Citizens Against Government Waste. In addition, the National Taxpayers Union has honored Congressman Cox with the "Taxpayers Friend Award" for his work to promote free enterprise and limit the scope of government; the National Federation of Independent Business has given him the "Friend of Small Business Award"; and the citizen watchdog group Consumer Alert presented him with their "Friend of the Consumer" award.

Congressman Cox has also been a leader in the fight to bring free enterprise and democracy out of the chaos of the former Soviet Empire. And, because of his work statewide on behalf of preserving California's pristine shoreline and our other natural resources, in 1990 Congressman Cox was endorsed for re-election by the respected California League of Conservation Voters.

Congressman Cox graduated magna cum laude from the University of Southern California in 1973, after completing a three-year accelerated course. In 1977, he

graduated simultaneously from Harvard Business School and Harvard Law School, where for two years he served as an editor of the *Harvard Law Review*. Following a year as law clerk to U.S. Court of Appeals Judge Herbert Choy, the first Asian-American federal judge in America, Congressman Cox joined the international law firm of Latham & Watkins, where he specialized in corporate finance.

In 1982, Congressman Cox took a leave of absence from Latham & Watkins to teach federal income tax law at Harvard Business School. In 1984, following his return to Orange County, he was elected to the partnership at Latham & Watkins, where he served as partner-in-charge of the Corporate Department in Orange County, and as a member of the firm's national management.

Chris Cox has established himself as a leading advocate of economic growth through lower taxes, free enterprise, and limited government.

In 1984, Congressman Cox, along with his father, a retired publisher, founded a company that provided a complete English translation of the Soviet Union's leading daily paper, *Pravda*. For four years, their firm, which had no relationship with the Soviet Union, offered a rare glimpse of Soviet propaganda designed for the Russians themselves. The translations were used by the CIA, the FBI, U.S. military intelligence, and colleges and universities throughout the world.

As Senior Associate Counsel to President Ronald Reagan from 1986-1988, Congressman Cox served as an advisor to the President on a broad range of policy matters--including writing a revolutionary new budget law that he has since introduced in Congress as the Budget Process Reform Act. He also served as an advisor to the President on judicial selections, including the nomination and confirmation of three Supreme Court Justices, and drafted a number of speeches for the President.

As Co-Chairman of the Task Force on Budget Process Reform in the 102nd Congress, Congressman Cox is leading a bipartisan group of over 150 of his colleagues for a comprehensive revision of our broken-down federal budget process. He is the author of H.R. 298, the Budget Process Reform Act, which will require a legally binding budget before any spending bill can even be considered. It will also require a two-thirds vote to break the budget. And, at long last, it will give the President "line-item veto" power, to cut back over-budget

Beth — see current portfolio

spending.

As Chairman of the House Task Force on Capital Markets, Congressman Cox is leading Congressional efforts to reduce the capital gains rate, end the double taxation of dividends, and enhance shareholder rights.

Since coming to Congress in 1989, Congressman Cox has maintained an active--and effective--legislative agenda. Stating that there is "nothing more insidious than government persecution of an individual because of his or her religion," Congressman Cox's first bill, H.R. 2022, gave refugee status to Ukrainian Orthodox and Ukrainian Catholics being persecuted by the Soviet government. It passed the House unanimously.

Congressman Cox is the author of the Budget Process Reform Act, which will require a legally binding budget before any spending bill can even be considered.

Congressman Cox also authored two bills that became separate titles of the 1989 Support for East European Democracy (SEED) Act. His bills created the Hungarian-American Enterprise Fund and the Polish-American Enterprise Fund, to facilitate the investment of private American capital (rather than taxpayer dollars) in startup private businesses in both Hungary and Poland. Congressman Cox's bills, which were signed into law by President Bush, took the first step in reforming our wasteful foreign aid programs by using private risk capital in place of public funds.

Congressman Cox also successfully authored legislation which preserved the integrity of military operations at California's El Toro Marine Corps Air Station. This legislation, signed into law by President Bush in November 1989, proved vital to the success of America's Armed Forces during the Persian Gulf War. El Toro is home to the Third Marine Air Wing, which flew the advanced F-18 fighter jet in Saudi Arabia during the war.

In 1991, Congressman Cox put the House of Representatives on record for the first time ever on the issue of term limits for Members of Congress. Using a creative parliamentary strategy, Chris Cox forced a yes-or-no vote on whether Congress should allow individual states to decide for themselves whether their Senators and Representatives should be subject to term limits. (The Democratic majority in the House, which had already authorized taxpayer funding for a legal challenge to Congressional term limits, voted 99% against the Cox resolution. All but six of the Republicans supported the Chris Cox term limit measure.) As a result of this and other battles, Congressman Cox has become a national leader in the fight to reform Congress.

With a population of two and one-half million people and an annual economic output of \$68 billion, Orange County is one of the most successful and diverse hi-tech business centers in the nation. Standing alone, its

economy would rank as the world's 28th largest, ahead of Hong Kong, and Orange County is California's second highest exporting region--just behind Silicon Valley, and well ahead of Los Angeles. It may soon be California's #1: the region leads the nation in applications for export licenses. It exports annually over \$6.2 billion worth of computers and related components, state-of-the-art medical equipment, biotechnology, and other ultra-sophisticated technological goods. From 1987 to 1990, exports from Orange County companies grew over 250%. In fact, despite the 1992 recession, all economic forecasts predict Orange County's continued strong economic performance and job creation will continue to outpace every other region in the nation throughout the 1990s.

Congressman Cox, an active promoter of Orange County businesses, has held several seminars on how companies can participate in international trade. He recently led a trade delegation to meet with Mexican President Salinas to promote Southern California businesses and the proposed North American Free Trade Agreement. He hosted the President of Hungary, Arpad Goencz, in Orange County and offered a how-to seminar on trade with that nation. And just three weeks after the end of the Gulf War, he hosted Kuwait's Ambassador to the United States, Saud Nasir Al-Sabah, for a meeting attended by over 500 local businessmen and women. Ultimately, more than a dozen Orange County firms were offered business opportunities in the reconstruction of Kuwait.

Congressman Cox recently met with Mexican President Salinas to promote increased trade between California and Mexico.

Eight universities and colleges are located within Orange County, including California State University-Fullerton and the University of California at Irvine. The California Angels American League professional baseball team makes its home in Orange County, as does the Los Angeles Rams NFL football team. Two of the nation's most popular attractions, Disneyland and Knott's Berry Farm, are located in Orange County, and the "Orange Coast", which includes some of the most beautiful beaches in the world, stretches for thirty miles along the Pacific Ocean, from Los Angeles to San Diego.

For further information, contact Congressman Christopher Cox at either his Washington, D.C., office: 412 Cannon Building Washington, D.C. 20515 (202) 225-5611; or his California office: 4000 MacArthur Boulevard, East Tower, Suite 430, Newport Beach, California 92660 (714) 756-2244.