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10986 N. Warson Road
St. Louis, MO 63114-2029
Phone (314) 426-2700
Fax (314) 426-1337

FAX COVER SHEET

PLEASE DELIVER THE
FOLLOWING DOCUMENT TO:

Ed Walters

DATE: 8-26-92

TIME: 1:30

NUMBER OF PAGES TO FOLLOW: 2

THIS TRANSMITTAL FROM: Tom Johnson

MESSAGE:

IF YOU EXPERIENCE ANY DIFFICULTY WITH THIS TRANSMISSION,
PLEASE CALL (314) 426-2700

FACSIMILE NUMBER: (314) 426-1337

PARKWAY AREA ADULT BASIC EDUCATION

Serving the school districts of Parkway, Pattonville, Clayton, Ladue,
Brentwood and Maplewood-Richmond Heights

August 26, 1992

Mr. Michael Latta
President, Public Safety Equipment
10986 N. Warson Road
St. Louis, Missouri 63114

Dear Mr. Latta:

Congratulations on the pending President Bush visit! The Robin Smith piece on Channel 4 was impressive.

I wanted to be sure that you are aware that you are participating in a Federally-sponsored Workplace Literacy Program that is a special project of the current administration. The Parkway Area Adult Basic Education Program that has evaluated and counseled 125 of your employees and is delivering basic skills training as of September 14th on your site is the ONLY National Workplace Literacy grant recipient in the state of Missouri. (We were awarded a Federal grant in the amount of \$122,577 as of July 1, 1992, to provide services to companies such as Code 3.)

I am enclosing several brochures describing our program. Tom Johnson and Dan Grosch are implementing a state of the art training and upgrading program that is in line with what many authorities feel is the key to increased American productivity.

Sincerely,

Jane D. Snyder

Jane D. Snyder

cc:

Tom Johnson
Dan Grosch



12657 FEE FEE ROAD CREVE COEUR, MO 63146 (314) 469-8534



PSE skill based work system highlights

- * basic skill requirements for all employees are 8th grade reading and 6th grade math
- * advanced skill requirements for employees are 10th grade reading and 8th grade math (this is the current requirement to move into a salaried position)
- * these skill requirements are driven by our need to be a world class competitor both today and into the future
- * without these math and reading skills we will not be able to allow meaningful **decision making** at the first level of our organization
- * we used Parkway Area Adult Basic Education to do an assessment of all our shop floor, and first level leaders in July 1992
- * this assessment showed that about 50% of our employees met the reading and math requirements for advanced skills, 30% met basic skill requirements, and 20% had reading and math skills below the 8th and 6th grade level (these results were actually better than we had expected)
- * starting September 14, 1992, we will be offering remediation for all our employees who want to improve their reading and math skills
- * at the same time we are implementing a new **skill based pay skill** that will reward employees who are successful in increasing their math and reading skills to the advanced and basic levels

Tom Johnson
314-426-2700 ext 1122

Jacksonville
Trust
Acceptance

/ get one rally

type in trust language

3/4 page color

To Curt:

Commerce
M

See Maguire

377-1675

get me ready

Rockwell
Trent
Acquaintance

type in Trent language

3/4 page also

To Trent:

Common
M

Natasha Moore

June 5, 1981

See N. Moore
345-1678

FOREIGN INVESTMENT IN MISSOURI

ASAP

CANADA

NORANDA ALUMINUM COMPANY - NEW MADRID - 1200 EMPLOYEES
POLYTAINERS - LEE'S SUMMIT - 65 EMPLOYEES

FRANCE

ELF AQUITAINE ASPHALT. INC. - ST. LOUIS - 190 EMPLOYEES
PHONE POULENC. INC. - ST. JOSEPH - 40 EMPLOYEES

GERMANY

F.A.G. BEARINGS - JOPLIN - 305 EMPLOYEES
FRU-CON CONSTRUCTION CORP. - BALLWIN - 350 EMPLOYEES
M & W PACKAGING INC. - CAPE GIRARDEAU - 190 EMPLOYEES
MEMC ELECTRONICS - ST. PETERS - 1500 EMPLOYEES

IRELAND

BILLY GOAT INDUSTRIES - LEE'S SUMMIT - 62 EMPLOYEES
JEFFERSON SMURFIT - ST. LOUIS - 4500 EMPLOYEES

JAPAN

BIKYOYA INC. - CAPE GIRARDEAU - 86 EMPLOYEES
KAWASAKI MOTORS - MARYVILLE - 115 EMPLOYEES
OPTEC D.P. - MEXICO - EMPLOYEES
SONY CORP. - KANSAS CITY - 73 EMPLOYEES

NETHERLANDS

AMERICAN INGREDIENTS COMPANY - KANSAS CITY - 50 EMPLOYEES
LEVER BROTHERS COMPANY - ST. LOUIS - 600 EMPLOYEES

SWITZERLAND

CONSOLIDATED ALUMINUM CORP. - ST. LOUIS - 60 EMPLOYEES
SUNMARK - ST. LOUIS - 900 EMPLOYEES

UNITED KINGDOM

ATLAS POWDER COMPANY - JOPLIN - 425 EMPLOYEES
D R G PLASTICS - UNION - 180 EMPLOYEES
FASCO INDUSTRIES - OZARK - 2900 EMPLOYEES
TRIMFOOT COMPANY - FARMINGTON - 425 EMPLOYEES

The Missouri Advantage™

Post-It™ brand fax transmittal memo 7671		# of pages > 3
To: ED WALTERS	From: R. McCLURE	
Co: WHOUSE (2530ALC)	Co:	
Dept:	Phone # 314/751-3292	
Fax # 202/456-6218	Fax # 751-2128	

T OF
IENT

02

NEWS RELEASE

For Immediate Release
March 16th, 1992

Contact: Dan Barber
314-751-9065

FOREIGN INVESTMENT SUMMARY

(Jefferson City)--The State of Missouri actively seeks foreign investment from all parts of the world. The Department of Economic Development has overseas offices in Duesseldorf, Germany; Tokyo, Japan; Seoul, Korea; and Taipei, Taiwan to assist in promoting economic growth and job creation in our state.

To date there are 244 foreign companies from 21 countries in Missouri. These foreign investments amount to an estimated \$3.5 billion and employ more than sixty-thousand Missourians. The major countries investing in our state are Japan, United Kingdom, Germany and Canada. These four countries account for 62% of the jobs and approximately 60% of the investments.

The next four major investors are Ireland, The Netherlands, Switzerland, and France. These four account for another 28% of the jobs and approximately 15% of the investments.

The state takes several different approaches to attracting foreign investment. The local office and the overseas offices do direct mail campaigns and attend international trade shows. The Department of Economic Development has a joint venture program that matches Missouri companies with interested foreign companies. The state also has a number of cooperative agreements with Japanese banks and securities companies, international chambers of commerce, and foreign governments.

- more -

Department of Economic Development - add one

The state is open to foreign investment and has no laws or regulations prohibiting investment. For more information contact Dan Barber, Public Information Officer at the Missouri Department of Economic Development (314) 751-9065.

- 30 -

government plan. Play-or-pay would quickly lead to most Americans being in a government-run health plan.

-- According to the CBO, \$80 billion in new taxes would be required to finance play-or-pay.³⁰

o Clinton also proposes to collect \$45 billion over four years by imposing higher taxes on foreign companies operating in the U.S.³¹

-- Contradicting Clinton's accounting, the Democratic-dominated Joint Committee on Taxation has said that this tax could generate at most \$1 billion, and that over four years.³²

-- The tax jeopardizes current and future American jobs by penalizing foreign firms that want to invest in jobs here at home. Thus, firms like BMW, which have been attracted by America's high worker productivity and hospitable business climate, will likely turn their backs on creating new jobs in the U.S.

-- In Ohio, for example, 215,000 persons are employed in industries related to foreign-owned businesses. These businesses have invested \$5 billion in the state and have created millions of dollars in tax revenue for communities and school districts.³³

-- Coming at a time when President Bush is pushing the Europeans to cut unfair subsidies to their farmers, and other nations to end barriers to American goods, the Clinton tax will invite retaliation against American products and cost more American jobs. One of the IRS's former top international tax experts described as "just nuts" the thinking that underlies a Clinton-style tax.³⁴

³⁰ Preliminary CBO estimate of the cost of play-or-pay, (H.R. 3205, August 2, 1991).

³¹ "Putting People First: A National Economic Strategy," June 20, 1992. See Table 2 for tax revenue estimates.

³² Joint Committee on Taxation revenue estimate, conveyed via letter to Senator Pete Domenici, dated July 15, 1992.

³³ "Republican Development Director Criticizes Clinton's Economics," AP, July 19, 1992.

³⁴ Kevin Dolan, former IRS Associate Chief Counsel/International, quoted in BNA Tax Management Report on Transfer Pricing, June 10, 1992.

Ed-
Be sure
to get
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these
A.

FOOTNOTE 30 BACKUP
(including next page)

102D CONGRESS, 2D SESSION

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Congress of the United States

JOINT COMMITTEE ON TAXATION

1015 LONGWORTH HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6453

(202) 225-3621

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ASSOCIATE CHIEF OF STAFF
(REVENUE ANALYSIS)

JUL 15 1992

Honorable Pete V. Domenici
Committee on the Budget
United States Senate
Washington, DC 20510-3101

Dear Senator Domenici:

This is in response to your request dated June 30, 1992, for revenue estimates of H.R. 5270, the Foreign Tax Simplification Act of 1992.

Enclosed is our Table #92-1139 which provides the estimated effects on Federal revenues for fiscal years 1993 through 1997 on a provision-by-provision basis.

Sincerely,

Harry L. Gutman
Harry L. Gutman

Enclosure

12

Revenue Effects of H.R. 5270, Foreign Tax Simplification Act of 1992
(Fiscal years, billions of dollars)

	1993	1994	1995	1996	1997	1993-97
Revenue losers (largest to smallest):						
Revise application of interest allocation rules.....	-0.7	-1.2	-1.3	-1.3	-1.4	-5.9
Recharacterization of overall domestic loss.....	--	-0.3	-0.4	-0.5	-0.5	-1.6
Repeal limitation on AMT foreign tax credit.....	-0.2	-0.3	-0.2	-0.2	-0.2	-1.1
Controlled foreign corporation election.....	-*	-0.2	-0.2	-0.2	-0.2	-0.7
Extend period of foreign tax credit carryback/carryover.....	-0.1	-0.1	-0.1	-0.1	-0.2	-0.5
Modification of certain look-through rules.....	-*	-*	-*	-*	-*	-0.1
Estate tax marital credit.....	-*	-*	-*	-*	-*	-0.1
Title V Simplification.....	-*	-*	-*	-*	-*	-0.1
Regulatory authority for uniform capitalization rules.....	--	--	--	--	--	--
Subtotal, revenue losers	-1.0	-2.1	-2.2	-2.3	-2.5	-10.1
Revenue raisers (largest to smallest):						
Treatment of passive income related to foreign oil and gas extraction income and shipping income.....	0.3	0.5	0.6	0.6	0.6	2.6
Reduction of Puerto Rico and possessions tax credit.....	0.2	0.5	0.5	0.6	0.6	2.4
Repeal deferral, election to treat controlled foreign corporations as domestic corporations.....	0.6	0.8	0.3	0.1	0.1	1.9
Special section 482 rules for foreign and foreign-owned corporations...	0.1	0.2	0.3	0.4	0.5	1.5
Source of income from certain sales of inventory property.....	0.1	0.3	0.3	0.3	0.4	1.4
Taxation of certain stock gains of foreign persons.....	0.1	0.3	0.2	0.2	0.1	0.8
Excise tax on certain premiums paid to certain foreign persons.....	0.1	0.1	0.1	0.1	0.1	0.5
Limitation on treaty benefits.....	*	0.1	0.1	0.1	0.1	0.3
Treatment of certain grants.....	*	*	*	*	*	0.1
Subtotal, revenue raisers	1.5	2.8	2.4	2.4	2.5	11.5
GRAND TOTALS.....	0.5	0.7	0.2	0.1	0.0	1.4

CLINTON PROPOSAL

ID:

AUG 24 '92

15:59 No.010 P.03

Republican Development Director Criticizes Clinton's Economics

COLUMBUS, Ohio (AP) - Democrat Bill Clinton as president would raise taxes and strictly regulate small businesses in Ohio, a state official said.

Ohio Development Director Don Jakeway, a Republican, said Clinton's economic plans would hurt Ohio's agriculture-related businesses and many of its 600 foreign-owned corporations as well.

Jakeway and Columbus Mayor Greg Lashutka, also a Republican, spoke Saturday at a news conference. Clinton and running-mate Al Gore are campaigning in the state.

Jakeway said about 215,000 Ohioans are employed in industries related to foreign-owned businesses. Those corporations have investments of about \$5 billion in the state and create millions of dollars in tax revenue for communities and school districts.

"That kind of protectionism is not good," Jakeway said about Democratic plans to raise taxes for those companies.

But a state Democratic Party spokesman said the Republicans are feeling desperate.

"They're down 25 percent in the polls," David Duffey said.

Duffey said the only taxes Clinton has spoken about are those for people with incomes of \$200,000 or more.

"They better research their facts a little better," Duffey said. "We finally have a presidential candidate who has a plan, and they're trying to scare people and say it's tax and spend."

"It's not. It's investment to bring jobs back to America."

1 copy - Phil / Jay
1 copy - Tony C.

Pls put in
budget & Ohio
briefings. Thanks

Jeremy -
Good fact -- let's
use in our budget
fact sheet.

Jim



Transfer Pricing Report

FOOTNOTE 32 BACKUP

Vol. 1, No. 3

A biweekly update on transfer pricing and related issues

June 10, 1992

HIGHLIGHTS

IRS Officials Discuss Litigation Designation, Competent Authority: A company should not expect access to competent authority without an agreement with the Internal Revenue Service regarding adjustments, Assistant Commissioner (International) Regina Deanehan and Director of International Programs Stanley Novack say. [p. 75]

Rostenkowski Bill Would Draw Retaliation, Practitioners Say: Legislation designed to help U.S. business compete globally would violate treaties and draw retaliation from U.S. trading partners, practitioners say. [p. 69] ... Law Professor Stanley Langbein says the bill would radically change transfer pricing rules for foreign firms, and mitigate U.S. taxation of U.S. companies' foreign income. [p. 88] ... Peter Barnes of General Electric Co. says the bill's minimum tax formula could produce unfair results. [p. 86]

Chevron Argues Against Designated Summons: Chevron asks an appeals court to overturn an IRS designated summons, contending violations of the Constitution and Congress' intent. [p. 65]

No Matches In Second Round For Apple Arbitrators: Apple Computer Inc. and the IRS again fail to exchange matching names in the second round of nominations for a panel to settle the dispute over the company's Singapore subsidiary. [p. 68]

IRS Group Reviewing Availability Of §482 Data: An IRS task force is investigating the availability of data needed to comply with proposed §482 regulations and may recommend legislation to resolve data sharing issues, an IRS official says. [p. 59]

IRS To Issue Guidance On Currency Fluctuations: The IRS plans a memorandum on the effect of currency fluctuations on its transfer pricing decisions, Ernst & Young's Michael Patton says. [p. 60]

Attorney Says Competitiveness Issues Ignored: The IRS' proposal to change the §482 regulations needs revision to better reflect efforts by U.S. companies to remain competitive globally, says Joel Williamson, partner at Mayer, Brown & Platt, Chicago. [p. 62]

Subs Blocked From Claiming Intangible Profits, Economist Says: U.S.-controlled overseas affiliates may be unable to claim profits from intangibles, such as manufacturing savings, under proposed §482 regulations. Arthur D. Little's Irving Plotkin tells a conference. [p. 61].

IN THIS ISSUE

At The IRS [p. 59]

☐ Treasury International Tax Counsel Philip Morrison says the IRS may not penalize taxpayers for transfer pricing valuation misstatements if they prepare a regulatory analysis of their transfer pricing situation and maintain contemporaneous documentation. [p. 59]

In The Courts [p. 65]

☐ The IRS says Exxon and Texaco consented to and profited from the 1979 price restrictions on Saudi oil and must pay taxes on those earnings. [p. 66]

In Congress [p. 69]

Around The World [p. 73]

☐ The proposed §482 regulations' comparable profit interval should be delayed until other countries accept the method, a Japanese trade group says. [p. 73]

☐ The IRS should limit the proposed CPI to clearly abusive transfer pricing, says an international business group. [p. 74]

Interview [p. 75]

Full Text [p. 80]

☐ Rep. Rostenkowski's HR 5270 §304 proposing a new §482(b) for inbound transfer pricing is printed in full. [p. 80]

Analysis [p. 86]

Perspective [p. 88]

Journal [p. 91]

Directory [p. 92]

nes, international tax counsel for General Electric Co., and

□ Observations from University of Miami Law School Professor Stanley I. Langbein on transfer pricing reform.

Minimum Tax

Section 304 of the bill would add a new subsection to §482 that would establish a minimum tax on foreign-owned companies operating in the United States whose U.S. gross receipts total either \$3 million or more, or 10% or more of the corporation's overall gross income.

According to the Joint Committee on Taxation staff's technical explanation, shifting profits of a foreign-controlled U.S. company to its parent through transfer pricing would no longer shelter the income, under §304 of the legislation.

The bill would provide an exception for companies that either make advance pricing agreements with the government, or are granted permission to avoid the minimum tax after satisfying the Treasury Department that the intercompany prices yielded a fair result, according to the technical explanation of the bill.

The provision would set a floor for the income on which a foreign-owned U.S. company would be taxed. The floor would be 75% of the average taxable income of the company's industry in the United States, as prescribed by the Treasury Department for the calendar year.

Proposal Labeled 'Draconian'

Leonard Terr of Baker & McKenzie's Washington, D.C., office said he was surprised by the steepness of the proposed minimum tax for foreign-owned U.S. corporations. Terr, a former Treasury international tax counsel, said that the Rostenkowski bill is "far more draconian" than many in the multinational tax world had expected.

The minimum tax approach is contained in §842(b), the minimum effective investment income provision for foreign-owned insurance businesses operating in the United States, he noted. Sec. 842(b) has created controversy because it departs from the arm's-length standard, and so the tax floor proposed in HR 5270 will be considered monumentally controversial, Terr said. (For a discussion of the §842(b) experience, see the Analysis section of this issue.)

The JCT staff said the minimum tax approach does not necessarily depart from the arm's-length standard. It is in some ways analogous to applying the resale price method or the cost-plus method under Regs. §1.482-2(e)(3) and (4), in which gross amounts of the taxpayer's actual arm's-length transactions are multi-

plied by an appropriate markup percentage or appropriate gross profit percentage, the technical explanation said.

The document also said the minimum tax provision is in some ways analogous to the approach taken in the Service's proposed §482 regulations in that they would adopt comparability of net profit as a check on the reliability of intercompany transfer prices.

The technical explanation discusses in detail the difficulty of obtaining information to allow the IRS to determine a true arm's-length price. Simulating transactions that the controlled parties would have entered into had they not been related, the explanation said, "may require access to significant amounts of information from each of the related parties that might be considered comparable to the transactions between the related parties. In a multinational context it may be especially difficult for the IRS to obtain the desired information from foreign members of the multinational enterprise."

"It may also be difficult to obtain adequate information about comparable or near-comparable transactions involving unrelated persons," the explanation continued. This information may be proprietary, the congressional staff wrote, and the parties involved may not include the taxpayer. "Even if the IRS could use its powers to obtain such information, disclosing it to the taxpayer may constitute a breach of confidentiality laws," the explanation continued.

Normative Rule Said Unconstitutional

But Terr said proposed §482(b) would be discriminatory because it would subject companies to a normative rule based on domestic industry averages that would, by definition, be skewed. "This very clearly would impose on the world a system, a formula, that would bear no relation to the results of the companies involved," he stated.

Dolan said the proposal does not make sense because it assumes that every business in a certain category is equally profitable. "That's just nuts," he said.

Robert Mattson, assistant treasurer of International Business Machines Corp., questioned whether Congress could impose a minimum tax on gross receipts because the Constitution requires that income be earned before there can be taxation.

Mattson also said the provision "tells the world we're going to discriminate" between foreign parent companies and U.S. parents. He said the legislation "clearly goes back to the high tariffs of the 1930s" which are thought to have contributed to the depression.

Richard V.L. Cooper of Ernst & Young, Chicago, told Tax Management that the proposed 75% tax floor is "within the ballpark" of the alternative minimum tax that U.S. parent companies have been protesting since it was enacted in 1986. What is rancorous about the proposed §482(b), he said, is that calculations would be based on gross revenue rather

What does that mean right here? I'll bring it closer to home. In ^{Ohio} ~~Missouri~~, exports are up 37 percent over the last three years -- \$4.5 billion worth of goods shipped to 166 countries on every continent.

Impressive numbers, but when you get behind the abstractions of export figures and trade statistics, you find the real benefit of the new world economy -- in a word, it's jobs. Here in Missouri, 100,000 jobs are supported by foreign trade. Across the country, more than 7 million Americans are employed for the same reason.

That's the way the world works these days. It's a world where products can be shipped at the speed of sound and investment money can cross borders at the speed of light.

Everyone recognizes that the world is moving at a faster pace than ever, but I see something more: it's moving our way. Right now we're building on the export success of the last three years. Two weeks ago we entered a new era of open trade. Along with Mexico and Canada, we initialed the North American Free Trade Agreement, with the goal of creating one of the largest free-trade areas in the world -- an integrated economy worth more than \$6 trillion dollars.

Here in Missouri, you already export \$2 billion worth of goods to Mexico and Canada. That's a lot of paychecks, but our new agreement will make that success look like kid's stuff.

NAFTA is a solid agreement -- when you've been in as many tough negotiations as I have, you learn to tell the difference.

(Ferguson/Walters)
August 24, 1992
Draft One
STLOUIS

PRESIDENTIAL REMARKS: PUBLIC SAFETY EQUIPMENT, INC.
ST. LOUIS, MISSOURI
AUGUST 24, 1992
9:00 A.M. (??)

Thank you and good morning.

(Acknowledgments, humor)

Together we have seen a world transformed these past three and a half years -- a world made new by American strength and resolve. But now that the Cold War is over, the defining challenge of the '90s is to win the economic competition of the new global economy -- to win the peace.

Our goal is simple and profound: We must be a military superpower, an economic superpower and an export superpower.

In this election, you'll hear two versions of how to do this. My opponents' answer is to look inward, and protect what we already have from the challenges of this new world. My approach is to look forward -- to open new markets, prepare our people to compete, to restore our social fabric -- to save and invest, so that we can win.

Twenty five years ago, where you're standing was a patch of bleak, undeveloped real estate. Now look around -- because of your dreams and hard-work, that patch of ground is a bustling factory, creating light bars and sirens that help save lives and keep the peace from Manila to Santiago.

There was a time when companies like PSE could be satisfied with a national market -- sell your goods in the fifty states and leave it at that.

But you here at PSE know that's no longer good enough. So five years ago, you took on the world. I'm told that now 35 percent of what you build right here is sold outside our borders, in 66 different countries. That bold, forward-looking strategy has helped you weather the uncertainties of the past few years.

PSE's story is a parable for our entire country's economic future -- never settling for less, always pushing ahead, embracing the challenges of foreign competition and reshaping them as opportunities.

Let me offer a personal note -- tell you how I learned about competing in the world.

I spent a good part of my life out in West Texas, in the oil business. I painted rigs for a while, even lived out of a suitcase as a traveling salesman. And all around me in those days -- the fifties and early sixties -- I saw towns and businesses bloom from those dusty plains like desert flowers.

Why? The reason was simple: The world wanted what Texas had to offer -- cotton and cattle and crude.

We understood that the more goods we sold outside our borders, the more jobs we could create within them.

Later on, when I started my own business, I learned again: we had to take a global view to compete. I shopped for investors on the west coast, on the east coast, but I couldn't stop there.

I traveled the world -- to Europe and the Far East. Every dollar we could bring into this country was a dollar that went to expand our company, create jobs in our community.

I've seen it over and over again: as U.N. ambassador, envoy to China, and now as president. You learn how important America is to the world, but you also learn how important the world is to America -- not just for national security, not just for military preparedness, but for creating jobs, right here at home.

We've held steady to this vision for three years now, and with great success. As we knock down trade barriers, American companies are rushing to meet the demand. Exports are up xxx in the last five years; America is once again the world's leading exporter.

What does that mean right here? I'll bring it closer to home. In Missouri, exports are up 37 percent over the last three years -- \$4.5 billion worth of goods shipped to 166 countries on every continent.

Impressive numbers, but when you get behind the abstractions of export figures and trade statistics, you find the real benefit of the new world economy -- in a word, it's jobs. Here in Missouri, 100,000 jobs are supported by foreign trade. Across the country, more than 7 million Americans are employed for the same reason.

That's the way the world works these days. It's a world where products can be shipped at the speed of sound and investment money can cross borders at the speed of light.

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Here in Missouri, you already export \$2 billion worth of goods to Mexico and Canada. That's a lot of paychecks, but our new agreement will make that success look like kid's stuff.

NAFTA is a solid agreement -- when you've been in as many tough negotiations as I have, you learn to tell the difference. It will protect the environment, and more important, it will protect American workers. And more: it will create new jobs for this generation and the next -- particularly the jobs that showcase America's high-tech talent.

We're going to take this case to the liberal Democrats on Capitol Hill, because they need to hear it. A free-trade agreement isn't a way of dividing up the economic pie, where one side's loss is another side's gain; it's a way of making the pie bigger for everyone who participates.

The liberals don't seem to get it. Right now, in fact, before our initials are even dry on the agreement, the liberals in Congress -- led by somebody who might be familiar to you,

Congressman Dick Gephardt -- are calling for us to slap a tariff on any new trade that comes from NAFTA.

Think about that for a minute -- ((which is a minute longer than they've thought about it)). After years of tough negotiations with our two closest trading partners, we've agreed to end tariffs. The congressional Democrats say: Okay, fine. But first you have to put on a new tariff.

In other words, the only way they'll agree to reduce tariffs is if they can raise tariffs.

That's like telling us they want us to hit a homerun, but please don't hit it out of the park because we don't want to lose the ball.

This "transaction tax," as they call it, will increase the cost of goods you want to buy, and discourage the creation of new jobs for you and your neighbors. It turns the agreement on its head -- defeats the whole purpose.

Now, I suppose I could ask my opponent to help me out with his liberal Democrat colleagues on Capitol Hill. Governor Clinton says he's for free trade "in principle."

But "in practice" may be a different story. Actually, it's not clear where the governor stands. In front of free-trade audiences, he boldly defends the benefits of free-trade. When he finds himself before a protectionist audience, he cites a long list of reservations about free-trade and says he plans "to follow Gephardt's lead."

The way Governor Clinton wiggles on free trade, I'm not surprised he compares himself to Elvis.

No matter how much Governor Clinton would like to fudge the issue, the difference couldn't be clearer -- and the difference is based on two very different views of America's future. My opponents see trade barriers falling and they say: Hold everything. They see new markets for American goods and they say: Wait a minute. We can't compete. The American worker can't cut it. So let's pull down the blinds, lock the doors and hope the world goes away.

Well, let me tell them something you already know. The American worker doesn't have to hide from anybody. We have the most productive workforce in the world. Americans can outwork, out-think, out-compete anybody, anywhere, anytime.

That's something everyone in the world seems to understand - everyone but the protectionist Democrats. Over the last decade, we've seen a flood of foreign investment in the United States, with businesses from all over the world setting up shop from Portland, Oregon to Portland, Maine. These investors are following a simple logic: if you want the best science and universities in the world, if you want the best workers in the world, you have to come to the U.S.A.

Now, this investment makes some people uneasy. I understand that -- particularly when the other side tries to stir up fear and resentment against foreign capital. I was in Utah not long ago, and a very articulate woman confronted me on the issue. I

told her we probably couldn't see eye to eye on it, but I tried to tell her why I felt so strongly against the isolationism that would keep foreign investment out of America.

There was an irony in her timing. I had just returned from meeting with the heads of the industrialized countries in Munich, and while I was there I was pleased to team up with Governor Carroll of South Carolina and the head of BMW to announce a new BMW plant in South Carolina. That means 10,000 jobs to the people of that state.

Now, I don't think the 10,000 South Carolinians who get those jobs are going to argue against foreign investment. One out of every ten manufacturing workers in the United States works for a company supported by foreign investment. That's the bottom line on foreign investment in the U.S.: jobs -- jobs for Americans, and growth for the American economy.

That's the way the world works in a global economy. Again, Governor Clinton just doesn't seem to understand. But he's not wiggling on the issue of foreign investment -- not at all. He's surveyed the issue and come out foresquare for -- you guessed it -- a tax increase.

He's proposed to increase taxes on foreign investment in the United States, each one of those companies that employ a total of 4 and one-half million Americans.

Governor Clinton says his new tax will raise \$45 billion. He might want to talk to his own Democrats on Capitol Hill. The Joint Committee on Taxation says that estimate is about 45 times too high.

Governor Clinton says his tax increase will "crack down" on foreign companies, but all it will really do is drive them out. And if they go, they'll take those jobs with them.

Travel around this state. Go to New Madrid (MA-drid), talk to the 1200 employees at Noranda Aluminum -- or to Joplin, talk to the 425 employees of Atlas Powder. Go to any of the 244 foreign-owned companies that employ 60,000 workers right here in Missouri.

If Governor Clinton's tax hike had been in effect these past few years, few if any of those companies would have located in the United States -- few if any of those jobs would have been created for Missourians.

And it's not just Missouri. Whether it's the Nissan plant in xx Tennessee -- whether it's the xx plant in xx, xx -- Governor Clinton's tax increase would be felt in every region of every state of this country.

Governor Clinton forgets something about international relations. If he raises this tax, our foreign competitors are going to say: "What's good for the goose is good for the gander." His tax is like a gilded invitation sent to foreign governments where U.S. companies also do business. And the invitation reads: "Please retaliate."

The result would be not just a reduction in investment here, but a contraction worldwide. There was another occasion when that happened. It was in 1930. Right before the great depression.

No other major industrial nation has the kind of tax Governor Clinton proposes -- not Germany, not Japan. But I can tell you one nation that does tax foreign investment as he would like: India.

Well, here's a promise I am proud to make: As long as I am president, India will not be a model for how to conduct economic policy in the United States of America.

So let's review the facts about Governor Clinton's tax: It won't raise revenue. It won't create a single job. It will discourage investment. And it threatens to start a trade war at the very moment when markets the world over are opening up to American products.

We should ask why, given all this, Governor Clinton would ever propose such a tax in the first place. I can tell you why. Today change is accelerating, and change breeds uneasiness, skepticism, even fear. And by disparaging foreign investment, Governor Clinton hopes to exploit the darker fears of this uncertain age -- fear of the future, fear of the unknown, fear of foreigners.

Well, he should know something: The American people won't buy it. We're bigger than that. The proudest people on earth

have never stooped to fear before, and we're not going to start now.

In talking about America's future in the global economy, I mentioned my own experience, because I want you to understand why I believe what I do about America's ability to compete. Governor Clinton takes a different view, and it is borne of his life experience -- a life spent in government.

You see the difference on issue after issue. I understand that you boost the economy by cutting taxes. I understand that you cut the deficit by cutting spending. I understand that you open markets by tearing down barriers -- by sitting down at the table and hammering out a tough and fair agreement.

So the American people have a clear choice this year. It's a choice between the patrons of the past and the architects of the future. I believe we can shape what lies ahead -- not by turning away from challenges but by doing what you here at PSE have done. You didn't shrink from challenge, you embraced it. You didn't shrink from competition, you met it head on. You didn't retreat from foreign markets, you conquered them.

I have faith in America's future -- because I have faith in the American people. It's the same faith that brought me out to Texas more than 40 years ago -- the same faith that brought me into public life -- the same faith that has led me to fight for open markets -- because I know that no challenge is too great for the American heart.

Thank you and God bless you.

4/14/92 WP
OCS. LARSEN, CLINT, ALBERTA

William H. T. Bush
("Backlog")
Office

314- 727-4555

MAJOR LEAGUE BASEBALL

EAST	W	L	Pct.	GB	Home	vs. RHP	Grass	Night	Last 10	Streak
Pittsburgh	71	55	.563	—	38-24	54-29	13-19	51-39	6-4	Won 1
Montreal	68	57	.544	2½	34-31	40-37	20-14	40-40	5-5	Won 1
Chicago	63	62	.504	7½	31-27	43-35	45-43	30-33	7-3	Lost 1
St. Louis	60	63	.488	9½	30-29	36-43	18-18	47-41	7-3	Won 2
New York	55	67	.451	14	30-29	36-41	43-46	40-44	3-7	Won 2
Philadelphia	51	73	.411	19	29-35	32-40	12-21	37-49	4-6	Lost 5

WEST	W	L	Pct.	GB	Home	vs. RHP	Grass	Night	Last 10	Streak
Atlanta	74	49	.602	—	39-23	48-34	57-33	52-35	5-5	Lost 2
Cincinnati	70	54	.565	4½	40-19	48-31	16-18	49-34	6-4	Won 3
San Diego	67	58	.536	8	38-26	45-43	51-41	46-42	4-6	Won 1
San Francisco	59	67	.468	16½	36-32	34-46	47-49	29-43	4-6	Lost 2
Houston	56	69	.448	19	31-28	36-41	13-25	40-49	5-5	Lost 1
Los Angeles	53	73	.421	22½	34-34	29-40	44-52	35-47	4-6	Lost 1

LEAGUE

RESULTS

7, Philadelphia 1
 (11-12). **LP:** Mathews (0-3).
 2 HRs; Myers converts 15th save chance in a row.
5, Atlanta 0
 (9-9). **LP:** Glavine (19-4).
 8 in August; Glavine is 3-11 lifetime vs. Montreal.
5, Houston 3 (13 inn.)
 (4-4). **LP:** Boever (3-6).
 Astro to hit for cycle since Bob Watson in 1977.

7, Chicago 4
 (1-1). **LP:** Patterson (2-3).
 2 HRs; Myers converts 15th save chance in a row.

10, Los Angeles 3
 (2-2). **LP:** Martinez (8-11).
 3rd start in a row; Offerman: ML-leading 36th error.

2, San Francisco 1
 (11-9). **LP:** Wilson (8-13).
 5 in 5th of last 6 games; Franco closes for 15th save.

PROBABLE PITCHERS, LINE

1992 season Career
 W-L IP ERA W-L IP ERA W-L IP ERA
PITTSBURGH 3:35 ET (Line: S.F. 8-5)
 1-0 11 2.45 — — — 1-0 8 0.00
 11-6 150% 3.58 1-3 0-2 5½ 11.81 3-0 22½ 2.42

CINCINNATI 7:35 ET (Line: Cin. 7½-5)
 1-1 24½ 5.18 0-2 — — — 0-1 12½ 7.30
 1-2 36 6.40 0-0 0-0 1 18.00 0-1 15½ 7.47

ATLANTA 7:40 ET (Line: Atl. 8½-5)
 13-10 178% 2.82 7-3 2-0 23 0.78 2-0 24 0.75
 10-8 182% 2.91 0-3 0-1 15 2.40 1-1 20½ 4.43

ST. LOUIS 8:35 ET (Line: St. L. 6-5)
 13-5 186 2.03 2-1 1-0 15 1.80 2-1 22½ 2.82
 4-9 144% 4.11 0-1 0-1 7½ 3.58 1-2 20% 3.05

DIEGO 10:05 ET (Line: S.D. 6-5)
 15-9 209 2.15 9-5 1-1 17 1.59 1-0 25% 1.40
 12-8 151% 3.69 2-6 — — — 0-1 20% 3.98

LOS ANGELES 10:35 ET (Line: L.A. 6-5)
 3-1 40 2.48 — — — 1-1 23 3.52
 9-10 147% 3.11 0-2 0-2 12 3.75 1-2 12% 5.68

Statistics: Elias Sports Bureau. Line by Danny Sheridan.
 Inc.

TODAY'S RESULT, UPCOMING GAMES

Thursday **Friday**
 P.L. at S.D., 4:05 S.F. at C.N., 3:20
 Mon. at Atl., 7:40 Cin. at N.Y. (2), 5:10
 St. L. at Hou., 8:35 L.A. at Phil., 7:35
 Only games Mon. at Hou., 8:35
 L.A. at St. L., 8:35
 Only games

COLUMN, TEAM NOTES, 3C; NL STATS, BEAT, 6C

Diagon McGriff

TUESDAY'S GAMES

Expos cruise 6-0, work over Glavine

By Rod Beaton
 USA TODAY

ATLANTA — Chris Nabholz was not going to roll over for Tom Glavine. The Montreal Expos never do. That combination produced a 6-0 win against Atlanta.

Glavine was trying to become the first in the majors to win 20. Nabholz was just trying to even his record and keep the Expos hard on the case of the first-pitch Pirates.

Nabholz succeeded. Glavine did not.

Nabholz (9-9) has been alternating wins with losses in perfect cadence — win, lose, win, lose, etc. — over his last 11 decisions. This was his turn to win, buttressed by Montreal's quick start (4-0 lead after three) and relief from Mel Rojas.

Glavine lost for the first time since the Expos beat him May 22 on Felipe Alou's first day as manager.

"Tommy has not had a night like this for a long time," said Braves manager Bobby Cox.

Montreal second baseman Delino DeShields explained Glavine was not in command because he had no command. "He had his good stuff, but he didn't have his best control."

The Expos know something no one in the NL has really known for two seasons — how to beat Glavine. They are 5-2 against him in the last two seasons, 11-3 over Glavine's career.

His ERA vs. Montreal is 5.87 this year, 4.92 lifetime. He is 18-1 with a 2.01 ERA against the rest of the NL.

Postseason glance

PLAYOFFS

AMERICAN LEAGUE

Wed., Oct. 7: West at East, 8:35 p.m.
 Thur., Oct. 8: West at East, 8:35 p.m.
 Sat., Oct. 10: East at West, 2:35 p.m.
 Sun., Oct. 11: East at West, 8:05 p.m.
 x-Mon., Oct. 12: East at West, 3:05 p.m.
 x-Wed., Oct. 14: West at East, 3:05 p.m.
 x-Thur., Oct. 15: West at East, 8:35 p.m.

NATIONAL LEAGUE

Tue., Oct. 6: East at West, 8:35 p.m.
 Wed., Oct. 7: East at West, 3:05 p.m.
 Fri., Oct. 9: West at East, 8:35 p.m.
 Sat., Oct. 10: West at East, 8:05 p.m.
 x-Sun., Oct. 11: West at East, 4:05 p.m.
 x-Tue., Oct. 13: East at West, 8:35 p.m.
 x-Wed., Oct. 14: East at West, 8:05 p.m.

WORLD SERIES

Sat., Oct. 17: AL at NL, 8:35 p.m.
 Sun., Oct. 18: AL at NL, 8:35 p.m.
 Tue., Oct. 20: NL at AL, 8:35 p.m.
 Wed., Oct. 21: NL at AL, 8:35 p.m.
 x-Thur., Oct. 22: NL at AL, 8:35 p.m.
 x-Fri., Oct. 23: AL at NL, 8:35 p.m.
 x-Sat., Oct. 24: AL at NL, 8:35 p.m.
 x-Sun., Oct. 25: AL at NL, 8:35 p.m.
 All times ET; x if necessary

Montreal ... 022 010 010-6
 Atlanta ... 000 000 000-0

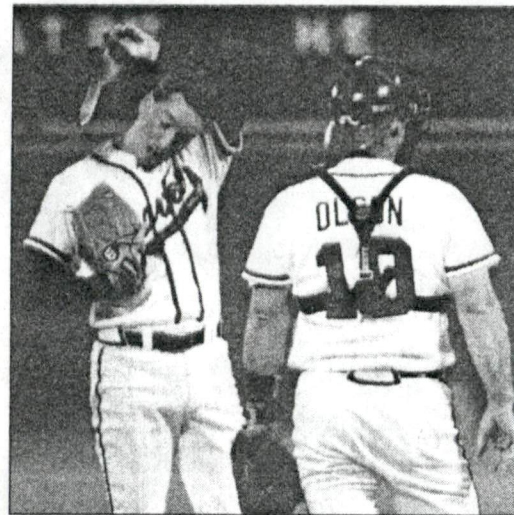
Montreal	ab	r	h	bi	bb	so	avg
DeShields, 2b	4	0	2	2	0	1	.306
Owen, ss	5	0	1	1	0	1	.286
Alou, if	4	0	0	0	4	1	.273
Wallach, 3b	4	1	1	0	4	1	.275
Carier, c	5	2	2	1	0	0	.234
Colburn, 1b	4	1	0	2	1	1	.215
Foley, 1b	3	2	2	2	0	0	.317
Reed, rf	1	0	0	0	0	0	.186
Nabholz, p	4	0	0	0	5	2	.179
Rojas, p	3	0	1	0	0	1	.111
Totals	37	6	10	6	16	5	

► **BATTING** — 2B: Alou (21, off Glavine), 3B: Wallach (1, off Glavine), 2-out RBI: Colburn, Owen, DeShields. RBI, scoring position, less than 2 outs: DeShields 1-1, Owen 0-1, Wallach 1-1, Carier 0-1, Colburn 1-1, Reed 0-1. SP: Colburn.

► **BASERUNNING** — Team LOB: 16.

► **FIELDING** — DP: 3.

Atlanta	ab	r	h	bi	bb	so	avg
Nixon, cf	4	0	1	0	2	0	.317
Blauser, ss	1	0	0	0	3	0	.243
Perkins, 3b	4	0	2	0	4	0	.306
Treadwell, pr-2b	0	0	0	0	0	0	.229
Gant, if	4	0	0	0	3	1	.251
Justice, rf	4	0	1	0	0	2	.257
Hunter, 1b	3	0	1	0	1	0	.242
Breen, ph	0	0	0	0	1	0	.270
Olson, c	2	0	0	0	1	0	.237
St. Claire, p	0	0	0	0	0	0	



By Charles Kelly, AP

NOT TONIGHT: Braves ace Tom Glavine, seeking win No. 20, takes timeout with catcher Greg Olson. He left in fifth, down 5-0.

► **BATTING** — 2B: Van Slyke (33, off R. Martinez), HR: Van Slyke (11, 7th inning off Wilson, 1 on, 2 out), 2-out RBI: Lind, Van Slyke 2, Bell 2. RBI, scoring position, less than 2 outs: Van Slyke 2-2, Bonds 1-2, Slaughter 2-4, Wehrer 0-1, Lind 0-1, Jackson 0-1. S: Bell. SP: Slaughter. GDP: Wehrer.

► **BASERUNNING** — SB: A.Cole (7, 2nd base off R. Martinez/Hernandez), Bonds (28, 2nd base off R. Martinez/Hernandez), CS: A.Cole (3, 2nd base by Crews/Hernandez). Team LOB: 6.

► **FIELDING** — E: Lind (6, ground ball). PB: Slaughter. DP: 2.

Los Angeles	ab	r	h	bi	bb	so	avg
Offerman, ss	5	1	3	0	1	0	.266
Butler, cf	3	0	1	0	4	2	.317
Young, 2b	3	0	0	1	0	0	.191
Harris, ph-2b	1	0	0	0	2	0	.278
Davis, ph	0	0	0	0	1	0	.236
Karras, 1b	5	0	1	1	7	0	.260
Webster, rf	3	0	0	1	0	1	.249
Sharperson, 3b	3	0	1	0	3	1	.303
Wilson, p	1	0	0	0	0	0	.333
Gooden, ph	1	0	1	0	0	0	.250
McDowell, p	0	0	0	0	0	0	.000
Benninger, cf	4	0	0	0	2	0	.234
Hernandez, c	0	0	1	0	2	0	.272
R. Martinez, p	0	0	0	0	0	0	.120
Crews, p	1	0	0	0	0	1	.200
Hansen, ph-3b	2	1	1	0	1	0	.217
Totals	35	3	9	3	21	5	

► **BATTING** — RBI, scoring position, less than 2 outs: Butler 0-2, Young 1-3, Harris 0-1, Karras 1-2, Webster 1-2. GDP: Sharperson.

► **BASERUNNING** — Team LOB: 10.

► **FIELDING** — E: Offerman 2 (36, ground ball, throw); Benninger (1, 3-base fly); R. Martinez (2, throw, DP).

Pittsburgh	ip	r	h	er	bb	so	era
Jackson	4½	5	3	2	4	1	3.94
Cox W-3-2	3½	0	0	0	0	2	4.70
Dwight	1	1	1	1	0	0	

► **GAME DATA** — T: 3:02. A: 19,546. Temp: 58. Wind: 25 mph, left to right.
 ► **UMPIRES** — HP: Hohn. 1B: Pulk. 2B: Danley. 3B: Long.

Cardinals 5
Astros 3

HOUSTON — In their first game at the Astrodome after a month-long road trip, the Houston Astros had two runners thrown out at the plate in extra innings and, even with Andujar Cedeno hitting for the cycle, lost to St. Louis 5-3 in 13 innings.

The last major leaguer to hit for the cycle was Ray Lankford of the Cardinals Sept. 15, 1991.

HOW THEY SCORED

Astros 2nd: Bagwell flied out to center. Incaivilla grounded out to first. Anthony singled to right. Cedeno tripled to right. Anthony scored. Serrano flied out to center. Astros 1, Cardinals 0.
 Astros 4th: Caminiti doubled to center. Bagwell lined out to right. Incaivilla flied out to left. Anthony doubled down the right field line. Caminiti scored. Cedeno popped out to right. Astros 2, Cardinals 0.
 Cardinals 5th: Kelly singled to second. O'Neill

► **BATTING** — 2B: Caminiti 2 (22, off Cormier, off Carpenter), Anthony (12, off Cormier), Cedeno (7, off McClure), 3B: Cedeno (2, off Cormier), HR: Cedeno (2, 7th inning off Perez, 0 on, 2 out), 2-out RBI: Anthony, Cedeno 2. RBI, scoring position, less than 2 outs: Caminiti 0-1, Bagwell 0-1, Incaivilla 0-1, Candaele 0-2. GDP: Caminiti.

► **BASERUNNING** — SB: Baggio (32, 2nd base off Worrell/Pagnozzi), CS: Young 2 (2, 2nd base by Cormier, 2nd base by Perez/Pagnozzi). Team LOB: 12.

Pitching	ip	r	h	er	bb	so	era
ST. LOUIS							
Cormier	6	6	2	2	0	2	4.28
Perez	2	3	1	2	0	1	1.55
Worrell	2	3	0	0	2	1	2.68
McClure	½	2	0	0	1	2	2.72
Carpenter W-4-4	1½	1	0	0	1	1	3.28
L. Smith S-3-3	1	1	0	0	2	3	3.02
HOUSTON							
Kile	7	7	2	2	2	3	4.45
Osuna	0	1	1	1	0	0	3.88
Hernandez BS-2	2	1	0	0	0	2	2.23
D. Jones	2	1	0	0	0	2	2.12
Boever L-3-6	2	3	2	2	0	1	2.78

Osuna pitched to 1 batter in 8th.

IBB: Bagwell 2, by Worrell; by Carpenter. WP: D. Jones. Inherited runners/scored: Hernandez 1/1; Carpenter 2/0. Pitches/strikes: Kile 96-55; Osuna 3-1; Hernandez 25-13; D. Jones 24-18; Boever 23-16; Cormier 76-50; Perez 43-24; Worrell 24-16; McClure 6-7; Carpenter 18-13; L. Smith 19-13. Ground balls/fly balls: Kile 9-7; Hernandez 3-2; D. Jones 3-0; Boever 5-1; Cormier 4-8; Perez 2-4; Worrell 1-2; Carpenter 0-3; L. Smith 1-0.

► **GAME DATA** — T: 4:11. A: 10,434. Indoors.
 ► **UMPIRES** — HP: Rungie. 1B: Quick. 2B: Danley. 3B: Long.

Reds 7
Phillies 1

CINCINNATI — Tim Lincecum pitched eight shutout innings before fading in the ninth and Barry Larkin and Joe Oliver homered, leading the Cincinnati Reds to a 7-1 victory against Philadelphia.

Larkin hit a two-run homer in the first inning and Oliver hit a three-run homer in the fifth off Greg Mathews (0-3) as the Reds won their third consecutive game. The Phillies have lost their last five games.

HOW THEY SCORED

Reds 1st: Roberts singled to center. Sanders flied out to left. Roberts stole second. Larkin homered to center. Roberts and Larkin scored. Coles grounded out to shortstop. Braggs struck out. Reds 2, Phillies 0.
 Reds 3rd: Roberts grounded out to shortstop. Sanders popped out to first. Larkin walked. Coles singled to right. Larkin to third. Martinez doubled to center. Larkin scored. Coles to third, and advancing, center fielder to third to catcher. Reds 3, Phillies 0.
 Reds 5th: Roberts singled to center. Sanders grounded to shortstop. Roberts forced out at second. Sanders safe at first. Larkin grounded out to third. Sanders to second. O'Neill singled to right. Sanders scored. Martinez singled to right. O'Neill to second. Oliver homered down the left field line. O'Neill, Martinez and Oliver scored. Morris flied out to left. Reds 7, Phillies 0.
 Phillies 9th: Kile singled to second. O'Neill

UNITED STATES SENATE

Committee on the Budget

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JUL 15 1992

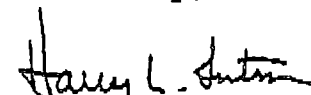
Honorable Pete V. Domenici
Committee on the Budget
United States Senate
Washington, DC 20510-3101

Dear Senator Domenici:

This is in response to your request dated June 30, 1992, for revenue estimates of H.R. 5270, the Foreign Tax Simplification Act of 1992.

Enclosed is our Table #92-1139 which provides the estimated effects on Federal revenues for fiscal years 1993 through 1997 on a provision-by-provision basis.

Sincerely,


Harry L. Gutman

Enclosure

Revenue Effects of H.R. 5270, Foreign Tax Simplification Act of 1992
(Fiscal years, billions of dollars)

	1993	1994	1995	1996	1997	1993-97
Revenue losers (largest to smallest):						
Revise application of interest allocation rules.....	-0.7	-1.2	-1.3	-1.3	-1.4	-5.9
Recharacterization of overall domestic loss.....	--	-0.3	-0.4	-0.5	-0.5	-1.6
Repeal limitation on AMT foreign tax credit.....	-0.2	-0.3	-0.2	-0.2	-0.2	-1.1
Controlled foreign corporation election.....	—*	-0.2	-0.2	-0.2	-0.2	-0.7
Extend period of foreign tax credit carryback/carryover.....	-0.1	-0.1	-0.1	-0.1	-0.2	-0.5
Modification of certain look-through rules.....	—*	—*	—*	—*	—*	-0.1
Estate tax marital credit.....	—*	—*	—*	—*	—*	-0.1
Title V Simplification.....	—*	—*	—*	—*	—*	-0.1
Regulatory authority for uniform capitalization rules.....	--	--	--	--	--	--
Subtotal, revenue losers	-1.0	-2.1	-2.2	-2.3	-2.5	-10.1
Revenue raisers (largest to smallest):						
Treatment of passive income related to foreign oil and gas extraction income and shipping income.....	0.3	0.5	0.6	0.6	0.6	2.6
Reduction of Puerto Rico and possessions tax credit.....	0.2	0.5	0.5	0.6	0.6	2.4
Repeal deferral, election to treat controlled foreign corporations as domestic corporations.....	0.6	0.8	0.3	0.1	0.1	1.9
Special section 482 rules for foreign and foreign-owned corporations...	0.1	0.2	0.3	0.4	0.5	1.5
Source of income from certain sales of inventory property.....	0.1	0.3	0.3	0.3	0.4	1.4
Taxation of certain stock gains of foreign persons.....	0.1	0.3	0.2	0.2	0.1	0.8
Excise tax on certain premiums paid to certain foreign persons.....	0.1	0.1	0.1	0.1	0.1	0.5
Limitation on treaty benefits.....	*	0.1	0.1	0.1	0.1	0.3
Treatment of certain grants.....	*	*	*	*	*	0.1
Subtotal, revenue raisers	1.5	2.8	2.4	2.4	2.5	11.5
GRAND TOTALS.....	0.5	0.7	0.2	0.1	0.0	1.4

CLINTON PROPOSAL

STATE OF MISSOURI
FACSIMILE TRANSMITTAL SHEET

DATE

8-24-92

TO

Ed Walters

FROM

Vlanda Murphy
Dr. Ashcroft

FAX NUMBER

FAX NUMBER

RE

SPECIAL INSTRUCTIONS/REMARKS

Ed - Here's the stuff. Dr. Ashcroft
recognized 12 expert companies on
his Expert Tool last month.

ANY PROBLEMS WITH TRANSMITTAL, CALL 314-751-3222

TOTAL NUMBER OF PAGES (INCLUDING TRANSMITTAL SHEET)

5

PUBLIC SAFETY EQUIPMENT

Public Safety Equipment is a privately owned firm located at 10986 N Warson Road in St. Louis, Missouri. Mike Latta is President of the company, Ed Ryan is Executive Vice-President. The phone number is 314-426-2700. The Fax is 314-426-1337.

Governor Ashcroft recently honored Public Safety during a statewide tour highlighting Missouri's export successes. During the last three years, exports from Missouri have increased 37% - more than 1600 Missouri businesses exported a combined \$4.5 billion in products, services and goods to 166 countries in 1991. Missouri exports support an estimated 100,000 jobs in the state.

Public Safety Equipment's 200 employees are literally lighting up the world with police sirens, light bars, and other warning devices used by police and fire departments in 48 countries. The company's exports have grown from 15% to 35% over the last five years.

The company builds most equipment to order, allowing employees to define their work flow and work with end users -- often highway patrols -- to meet changing needs and design improved products.

Public Safety Equipment has been assisted by Missouri's export business development office. "We've participated in international meetings, catalog shows, etc.," said Ed Ryan, vice president of marketing. "The state office in Tokyo also has helped us in locating distributors on the Pacific rim."

The state of Missouri has international trade offices in Germany, Japan, Korea and Taiwan. The state will soon open a fifth international trade office in Mexico.

Public Safety is a very employee oriented firm and the plant is very clean and colorful providing many visual opportunities.

Public Safety Equipment was very appreciative of the Governor's recent visit and the company went out of its way to include its employees and local community leaders in what was a very successful and enjoyable stop on the "Exports for Success" tour.

PUBLIC SAFETY EQUIPMENT, 7/22/92, ST. LOUIS

I'm pleased to be in St. Louis today to focus attention on a local company that is excelling in the international marketplace. Missourians are grateful to Mr. Michael Latta and the hard-working employees here at Public Safety Equipment who are supplying world-class products to nations all around the globe.

Exporting is no longer the province of large companies in major port cities. The world market is fast becoming the new frontier for small- to medium-sized firms in Missouri.

Businesses across the state are adding jobs, breaking ground for additional plant space and purchasing new equipment to keep pace with fast-growing export sales. In many cases, international sales allowed these companies to continue growing during the recession, . . . and now with the U.S. recovery, they're looking to expand and hire.

During the last four years, exports from Missouri have increased 31 percent -- more than sixteen hundred Missouri businesses exported a combined \$4.5 (b) billion in products, services, and goods to 166 countries in 1991. Missouri exports support an estimated 100,000 jobs in the state.

The state of Missouri, through the Department of Economic Development, is assisting the sixteen hundred exporters in Missouri and actively seeking out the unlimited number of firms with export potential that is not yet being realized.

World Trade magazine recently recognized the work and dedication of the state's export development staff. The article says Missouri runs a top-notch economic development program for companies that want to expand their business overseas.

The state has trade development offices in Kansas City, Jefferson City, and St. Louis. Missouri also has offices and very capable staff in Duesseldorf, Germany; Tokyo, Japan; Seoul, Korea; and Taipei, Taiwan. We soon will be opening a new trade office in Mexico.

During this two-day salute to companies exporting for success, we will visit and honor 12 Missouri businesses. I commend the Hawthorn Foundation for sponsoring this tour. Hawthorn Vice-chairman Al Fleischer Sr. is here with us today. Al, thank you for the opportunity to honor this deserving company and to raise awareness about the importance of exporting.

It is a pleasure to meet the people here at Public Safety Equipment who literally are lighting up the world with these Missouri-made products.

Five years ago, Public Safety made a commitment to the export business, and today, the company's exports account for about 35 percent of its total annual sales.

Public Safety's sirens, light bars and other warning devices clear the way for police and fire vehicles in at least 48 countries. I am pleased the state's export development staff has been able to assist Public Safety with locating sales leads and international distributors.

On behalf of all Missourians, I commend Mr. Michael Latta and the dedicated employees of Public Safety for excellence in exporting, becoming a worldwide innovator and leader in the field of emergency warning equipment.

(PRESENT AWARD)

Thank you and may God richly bless you with a productive and profitable future here in St. Louis.

CODE 3
PUBLIC SAFETY EQUIPMENT, INC.10986 N. Warson Road
St. Louis, MO 63114-2029
Phone (314) 426-2700
Fax (314) 426-1337**FAX COVER SHEET**PLEASE DELIVER THE
FOLLOWING DOCUMENT TO:*Ed WATKINS*
202
FAXED
AUG 24 1992
TIME: 4:06 PM
PUBLIC SAFETY EQUIPMENT INC.

DATE: _____

NUMBER OF PAGES TO FOLLOW: _____

THIS TRANSMITTAL FROM: *20* _____

MESSAGE:

Ed
Call Me And I'll be
OVER WITH YOU.
*Ed Ryan*IF YOU EXPERIENCE ANY DIFFICULTY WITH THIS TRANSMISSION,
PLEASE CALL (314) 426-2700

FACSIMILE NUMBER: (314) 426-1337

THE CODE 3® STORY

Public Safety Equipment was formed in 1974 in St. Louis, Missouri. The company's first product, its Model 2200 light bar, was square in shape, not very aerodynamic, and used sealed beam rotating lamps, but at that time was the most effective light bar on the market. In 1975, Code 3 was developed as the company's trademark. Since that time, Code 3 has come to represent the finest manufactured emergency warning devices in the world today.

The company started in a small, 15,000 sq. ft., building located in St. Louis County that it shared with another company which manufactured preschool educational toys. Code 3 was very successful in introducing new products and being an innovator in the marketplace. By 1979, the company introduced its first electronic siren. Also, in 1979, a radically new light bar series was introduced, the XL. This was an innovation because the XL light bar was very aerodynamic and, many thousands of these light bars have been sold all across the world. The XL remains a very popular light bar today, especially well suited to larger vehicles.

Code 3's strong growth created a lack of space for the production of emergency warning equipment, so in 1980 the company moved to new quarters in St. Louis.

Another major innovation came in 1982 with the creation of the Force 4® drive train for all of our light bar styles. The Force 4 drive train was a major breakthrough in light bar development because it allowed an independent motor to operate each rotating device. It also improved the optical performance of the light emitted from the light bar and actually reduced the price to the customer for the product. It also gave customers around the world a great deal of flexibility to design light bars for their own specific needs; as the customer could very easily position alley lights, takedown lights, spotlights, mirrors, special rotating devices, and rotators.

In 1983, the company introduced the LP light bar which has become a tremendous success and sells all over the world. LP stands for "low profile" and is an incredibly aerodynamic light bar. Police fleets are able to use this light bar and have 98% clean roof efficiency. This allows the fleet to have an extremely good-looking light bar that allows both high top end speeds and great fuel economy. Code 3 also introduced two new electronic siren systems in 1983.

By December 1984, the company's office space was inadequate, so the company moved its office location. By 1985, the production space was not adequate, so the company moved its production facility to a 43,000 sq. ft. building to ease the growing pains. In 1985, Code 3 introduced The Vehicle Control System and the LP6100 beacon. In 1986, Code 3 was restructured and put in the position to become the dominant producer of emergency warning equipment in the world. Since 1986, the company has introduced the all light XL and the all light LP for those departments that don't need a speaker in the light bar. Code 3 has introduced the V-Con® siren family

which allows the customer to have a one piece siren which has multiple switching functions for control of the vehicle's switching needs. The DashLaser™ was introduced in 1987 and is a tremendous success for individuals and undercover officers who need warning protection in their vehicles. In 1988, Code 3 introduced the ArrowStik™ that directs approaching traffic to safe areas behind emergency equipment. The ArrowStik™ has a wide application of usages from police cars to construction equipment.

In 1989, Code 3 came out with the new V-Con® MC remote siren system which utilizes fiber optics to send siren signals to the amplifier from the control head. Code 3 also introduced its new MX light bar which is truly a revolutionary light bar design. This product has two full levels of warning, a top and a bottom, that allows the customer unrestricted flexibility for their lighting needs. The customer also has the option to install intersection lights in the MX for extra warning protection in dangerous intersection areas. In addition to these features, the MX can incorporate an ArrowStik™ inside the light bar to direct traffic to safe areas.

What does the future hold for Code 3? Very bright, indeed! The company is building an expandable new facility in St. Louis that should be able to accommodate its growth for the foreseeable future. Starting with approximately 90,000 sq. ft. under roof, it should be completed in February, 1990. This new facility also has a great deal of land that will allow the company to expand in the future without moving. Code 3 decided to open up an operation in the United Kingdom to better serve its customers in the UK and the continent. The new company, Public Safety Equipment (UK) is a UK company and will manufacture and distribute Code 3 products in Halifax. Public Safety Equipment (UK) will be under the guidance of Michael Timlin, Managing Director.

Code 3 has had a very exciting history, but has an even brighter future because of the company's commitment to research and development, combined with quality, and because of the company's commitment to the emergency warning marketplace. Code 3's future is bright because the company provides its customers with the best products and best service in the industry today.

THE WHITE HOUSE
WASHINGTON

August 25, 1992

MEMORANDUM FOR THE CHIEF OF STAFF
PAUL BATEMAN
TONY BENEDI
PHILLIP BRADY
ANN BROCK
MICHAEL BUSCH
NICK CALIO
SUE CORNICK
BILLY DALE
DAVID DEMAREST
BILL FARISH
LAURIE FIRESTONE
MARLIN FITZWATER
CLAYTON FONG
JOHN GAUGHAN
BOYDEN GRAY
EDE HOLIDAY
CONSTANCE HORNER
TOM HUFFORD
RON KAUFMAN
BOBBIE KILBERG
CECE KREMER
WILLIAM KRISTOL
MICHAEL LUCAS

CHRISTINA MARTIN
TIM MCBRIDE
DAN MCGROARTY
LAURA MELILLO
HENSON MOORE
JANE MOORE
JANET MULLINS
ROGER PORTER
PATTY PRESOCK
STEVEN PROVOST
SUSAN PORTER ROSE
DENNIS ROSS
BRENT SCOWCROFT
DORRANCE SMITH
KATHY SUPER
PEGGY SWIFT
MARGARET TUTWILER
DAVID VALDEZ
ROSE ZAMARIA
ROBERT ZOELICK
USSS/PPD OPS
WHCA OPS
MEDICAL UNIT
AIRLIFT OPS
WHTV

THROUGH:

TIMOTHY J. MCBRIDE
ASSISTANT TO THE PRESIDENT FOR
MANAGEMENT AND ADMINISTRATION

FROM:

ED MURNANE *Ed Murnane (MHA)*
DEPUTY ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF PRESIDENTIAL ADVANCE

SUBJECT:

TRIP OF THE PRESIDENT TO ST. LOUIS, MISSOURI;
AND CINCINNATI AND FINDLAY, OHIO ON AUGUST 27,
1992

For your use and planning purposes, the attached is a preliminary outline schedule for the Trip of the President to St. Louis, Missouri; and Cincinnati and Findlay, Ohio on August 27, 1992. Please keep in mind the following information has not been finally approved and is subject to change.

Attachments

PRELIMINARY OUTLINE SCHEDULE

Revised 8/25 4:30 pm EDT

Thursday, August 27, 1992

GUEST AND STAFF INSTRUCTIONS:

6:20 am Vans depart West Basement
en route Andrews Air Force
Base.

6:40 am Those with own transportation
should arrive Andrews Air Force
Base, Distinguished Visitor's
Lounge, at this time.

7:05 am MARINE ONE departs White House en route Andrews
Air Force Base.

(Flying Time: 10 Minutes)

7:15 am MARINE ONE arrives Andrews Air Force Base.

7:25 am AIR FORCE ONE departs Andrews Air Force Base
(E.D.T.) en route St. Louis, Missouri.

(Flying Time: 1 Hour 50 Minutes)
(Time Change: Back 1 Hour)
(Interchange: No)

8:15 am AIR FORCE ONE arrives Lambert-St. Louis
(C.D.T.) International Airport, St. Louis, Missouri.

8:25 am MOTORCADE departs Lambert-St. Louis International
Airport en route Public Safety Equipment, Inc.

(Drive Time: 15 Minutes)

8:40 am MOTORCADE arrives Public Safety Equipment, Inc.

* TOUR OF PUBLIC SAFETY EQUIPMENT, INC.
- Expanded Pool
(8:45 am - 8:55 am)

- * ADDRESS PUBLIC SAFETY EQUIPMENT, INC.
EMPLOYEES AND BUSINESS COMMUNITY
 - Open Press
 - Remarks
 - Teleprompter TBD
 - 1,500 Attendees
 - (9:00 am - 9:25 am)

9:30 am MOTORCADE departs Public Safety Equipment, Inc.,
en route Stouffer Concourse Hotel.

(Drive Time: 15 Minutes)

9:45 am MOTORCADE arrives Stouffer Concourse Hotel.

- * VICTORY '92 SUPPORTERS MEETING
 - Closed Press
 - Talking Points
 - 50 - 70 Attendees
 - (9:50 am - 10:10 am)

10:15 am MOTORCADE departs Stouffer Concourse Hotel en
route Lambert-St. Louis International Airport.

(Drive Time: 10 Minutes)

10:25 am MOTORCADE arrives Lambert-St. Louis International
Airport.

10:30 am AIR FORCE ONE departs St. Louis, Missouri en route
(C.D.T.) Covington, Kentucky.

(Flying Time: 1 Hour 20 Minutes)
(Time Change: Ahead 1 Hour)
(Interchange: Yes)

12:50 pm AIR FORCE ONE arrives Cincinnati/Northern Kentucky
(E.D.T.) International Airport, Covington, Kentucky.

1:00 pm MOTORCADE departs Cincinnati/Northern Kentucky
International Airport en route Fountain Square,
Cincinnati, Ohio.

(Drive Time: 25 Minutes)

1:25 pm MOTORCADE arrives Fountain Square.

 * BUSH/QUAYLE RALLY
 - Open Press
 - Remarks
 - TBD Attendees
 (1:30 pm - 2:00 pm)

 * PRIVATE TIME: 50 MINUTES
 (2:05 pm - 2:55 pm)

3:00 pm MOTORCADE departs Fountain Square en route
 Cincinnati/Northern Kentucky International
 Airport, Covington, Kentucky.

 (Drive Time: 25 Minutes)

3:25 pm MOTORCADE arrives Cincinnati/Northern Kentucky
 International Airport.

3:30 pm AIR FORCE ONE departs Cincinnati, Ohio en route
 (E.D.T.) Toledo, Ohio.

 (Flying Time: 50 Minutes)
 (Time Change: None)
 (Interchange: No)

4:20 pm AIR FORCE ONE arrives Toledo Express Airport,
 (E.D.T.) Toledo, Ohio.

4:30 pm MARINE ONE departs Toledo, Ohio en route Findlay,
 Ohio.

 (Flying Time: 20 Minutes)

4:50 pm MARINE ONE arrives Findlay Landing Zone, Findlay,
 Ohio.

4:55 pm MOTORCADE departs Findlay Landing Zone en route
 Findlay Machine and Tool.

 (Drive Time: 5 Minutes)

5:00 pm MOTORCADE arrives Findlay Machine and Tool.

* ADDRESS FINDLAY COMMUNITY
 - Open Press
 - Remarks
 - Teleprompter TBD
 (5:05 pm - 5:30 pm)

5:35 pm MOTORCADE departs Findlay Machine and Tool en route TBD.

(Drive Time: 10 Minutes)

5:45 pm MOTORCADE arrives TBD.

* VICTORY '92 SUPPORTERS MEETING (TBD)
 - Closed Press
 - Talking Points
 (5:50 pm - 6:05 pm)

6:10 pm MOTORCADE departs TBD en route Findlay Landing Zone.

(Drive Time: 10 Minutes)

6:20 pm MOTORCADE arrives Findlay Landing Zone.

6:25 pm MARINE ONE departs Findlay Landing Zone, Findlay, Ohio en route Toledo Express Airport.

(Flying Time: 20 Minutes)

6:45 pm MARINE ONE arrives Toledo Express Airport, Toledo, Ohio.

6:55 pm AIR FORCE ONE departs Toledo, Ohio en route
 (E.D.T.) Andrews Air Force Base.

(Flying Time: 1 Hour 15 Minutes)
 (Time Change: None)
 (Interchange: No)

8:10 pm AIR FORCE ONE arrives Andrews Air Force Base.
 (E.D.T.)

8:20 pm

MARINE ONE departs Andrews Air Force Base
en route White House.

(Flying Time: 10 Minutes)

8:30 pm

MARINE ONE arrives White House.

THE WHITE HOUSE

Office of the Press Secretary
(Ansonia, Connecticut)

For Immediate Release

August 24, 1992

REMARKS BY THE PRESIDENT
TO THE CHAMBER OF COMMERCE

Warsaw Park Hall
Ansonia, Connecticut

2:05 P.M. EDT

THE PRESIDENT: Thank you very, very much. Michael, thank you and all the others at the Chamber. Thank you for that introduction. And let me just explain what Michael was talking about. There has been this hurricane down in Florida, and so we leave right from here to go down to Newark, take the plane and head on down to look at that damage and express our concerns to the people there.

But I am just delighted to be here. A warm reception coming into town. I want to thank David Rifkin and especially the Mayor Thomas Hallihan. And let me also mention an old friend and a good man, Gary Franks, who's the Congressman here. I am so indebted to him. (Applause.) And another that you all know so well in this valley, John Rowland. He's a great man and I want to see him do more. (Applause.)

And I was touched by the Reverend Father Weiss's invocation. And I want to ask today that we now take a little political look to the fall.

I'll tell you something. I came out of that Houston Convention, and the whole spirit around this country is different. I am determined to win this election and I'm determined to do it fair and square. (Applause.) And if I hadn't been fired up when I walked in here The Company -- that great music -- would have got it going. I'll tell you. That was fantastic. I don't even know where they are. (Applause.)

But anyway, we're looking ahead to a great classic that takes place this fall. I'm not talking about Ansonia versus Derby -- (laughter) -- I'm talking about the November 3rd contest. And that does have a lot to do with the direction of this country, and also the new century beyond.

I heard my grandson speak at our convention and I was so very proud of that young kid. And I think -- (applause) -- and it just reminded me on a very personal basis of what the Reverend Father was talking about and the job that lies ahead of us, to make life better for all.

Now, we have witnessed, as I pointed out down there, a world of change from Managua to Moscow. Millions of men and women now turn towards freedom. They're celebrating a new birth of freedom. And I believe people right here in the valley, many of whom came here from other countries, many of whom family came here, understand what I'm talking about when I say this nation can take pride in the freedom of others. (Applause.)

Many right in this room, because of family -- not just because of freedom and democracy -- because of family, prayed for this day of freedom to come to Eastern Europe, to Russia, to the countries south of our border. And we've

MORE

witnessed this remarkable change. And this miracle has come true.

And so now the challenge for this country is to bring that spirit home, from Warsaw, Poland to Warsaw Park, and to focus this great nation on the mission ahead. (Applause.) We have literally changed the world with the help of the taxpayer, Presidents who preceded me, fighting men and women that have served this great country with distinction -- we've changed the world. And now we must change America for the better. (Applause.)

And our challenge quite simply is to win the global economic challenge, to win the peace. Be a military superpower, an economic superpower, an export superpower. And in this election you're going to hear two very different visions of how to do this. Theirs is to turn inward and protect; and ours is to look outward and open new markets and prepare our people to compete -- (applause.) To save and invest. And when I'm talking about investment, I don't mean more taxpayer money going into government investment. I mean more private investment, small business investment. (Applause.)

I don't want to get too personal in this wonderful area that I understand has some wonderfully smart Democrats because I need you guys in the fall. But let me say this, that my opponent has spent most of his adult life in government, and that's pretty much all he knows about. But his idea about creating jobs is to have government jobs -- public payroll jobs. And I come at things a different way. I spent -- I computed it the other day -- half of my adult life in government service, one kind or another: and half in the private sector. And long before I was in the public sector I worked for a living out in the oil fields of West Texas, built a company, and did what many here has in small or larger operations -- I met a payroll, I took risks, and I made it work. And I happen to think having held a job is not a bad qualification even for President of the United States of America. (Applause.)

Look, the world economy is changing. And we've got to be in the lead of that change. Think of the economic changes you've seen right here in Ansonia from moving from that brass and copper age, in the mills along the Naugatuck, to the new corporate headquarters in the industrial parks across the valley. Right now one in every six American manufacturing jobs is tied directly to exports. And that doesn't count the economic ripple effect created when those workers paid mortgages or buy a car or feed the kids.

Since '88, since 1988, three-fifths of the economic growth has come from people in other countries buying what we do best -- the products we make right here in America. We are the best manufacturers in the world, and don't let anybody tell you -- (applause) -- don't you let that gloomy opposition tell you we can't compete or say that we're a nation in decline. We are not.

And as President I'm working now to create jobs, new markets -- markets in Moscow, markets in Mexico City that mean new American jobs. And I am convinced that the answer is not to build a wall around our economy, not to put the government in charge, but to use the government to help you literally go back to work in this country. And that's what I want to tell you how I'm going to do it. (Applause.)

Here are some of what we stand for: Open markets for American products. Here's one we have a big difference on -- lower government spending and tax relief. Not spend and tax, tax relief, and less federal government spending. (Applause.) And the other one is opportunities for small business. We've got to do better getting the regulatory burden off the back of these Mom and Pop, these small operators. And we're going to keep doing it until we get that job done. (Applause.)

You know my feeling about how -- too many lawsuits in this country. I've been fighting to change that, blocked by this gridlocked Congress. We sue each other too much. We care for each other too little. And we've got to break the back of those that are breaking this country with these damn lawsuits. (Applause.)

AUDIENCE: Clean House.

THE PRESIDENT: I'll get to that. And new schools -- and I know we've got some teachers here, and God bless them. But I'll tell you something. We need new schools to back up these teachers, new ideas. Our whole program, America 2000, is a good program, to literally revolutionize how we bring our kids into the next century. It's an exciting program. And I might say, we've got to win this fight on narcotics. Teenage use of cocaine is down, but we've just begun to fight. We've got to win it. Clean out these schoolyards. (Applause.)

You know, a big difference is -- a big one -- I do believe that we -- they're too big, government, and spend too much. And last week I offered an idea to get the deficit down. We'll give you a special box -- I believe that people should have it -- a special box on that tax return to check so that up to 10 percent of your income tax can go for one purpose, and that is to reduce the budget deficit. If Congress doesn't like it -- all these editorials that you read around here on some of these sophisticated journals don't like it -- but the Congress has failed to do it. So let's give the people a chance to check that box, and then we have to live with it. (Applause.)

And then there's something that's very important to the valley that I talked about today in Union, New Jersey -- a dramatic new approach to job training, to help young people find that first job -- a program we call the Youth Training Corps; to get inner-city kids off the mean streets and get them a second chance to build the skills they need to succeed. For older workers who have lost their jobs or worried that the next pay envelope may have a pink slip, we've developed a new concept called Skill Grants -- vouchers worth \$3,000 to be used towards the training program of their choice. And our plan is based on empowering people to get the kind of training they want, not empowering the bureaucracies to hire more people. And that is a very different approach than the approach the others are taking. (Applause.)

The Governor of Arkansas says he's all for free enterprise. Then he proposes right out of the box the largest tax increase in history -- much of it on the back of small business. I learned the hard way -- holding out my hand to that gridlocked Congress and they bit it off. Once you make one mistake you don't make it again. I am not going to go forward and go with these programs of spending and taxing. (Applause.)

We've literally proposed -- and it's before Congress right now -- eliminating over 200 programs and 4,000 projects. It's there, it's put down in detail. It's before this gridlocked Congress. And we've got to do something about changing the Congress. If we had more people like Gary Franks, we wouldn't have a gridlock problem. (Applause.) But the Congress has been controlled -- they have been controlled by the same party for 38 years. Everything else has changed in the country -- not the House of Representatives. Help me change the House. Clean it -- clean the House. (Applause.)

My opponent says he's for fiscal responsibility. He's against a balanced budget amendment. Says he's for a line-item veto, but the gridlocked Congress refuses to give it to the President. And I stand for something different. I want to see us cut that federal spending with the help of a new Congress; get the taxes down so we can get the economy stimulated and let people keep a little more of what they earn. It's a big

MORE

philosophical difference between the Bush-Quayle ticket on the one hand and Clinton-Gore on the other. Look at it, it is fundamentally different.

Now, in this campaign, we've got to call it as we see it. And this year I believe the choice is very clear. We've got two different -- fundamentally different approaches. I believe in the government. You get all this talk -- government, government -- of the government, by the government, for the government. That's not going to get the job done. We are fighting against that because we happen to believe still that the power should flow from the people. So it's of the people, by the people and for the people. And really, what's at stake here is the future of this country.

And we're in choppy waters. I heard the Reverend. I know it. People that are hurting and can't find jobs when they need it. I'll tell you another area we've got a big difference -- on the defense spending. I have cut defense, but we're not going to cut into the muscle of the defense. The other side wants to take \$60 billion more than Colin Powell and Cheney tell me is the right level. We still have a tough world out there. We must still be strong. And while you're thinking about it, we don't needlessly need to throw another million defense workers out of work by cutting back on defense below the levels needed for national security. (Applause.)

Let me just tell you, I wish Barbara Bush were here. This would be great for her morale -- (applause) -- this would be great for her spirits. (Applause.)

But I'll tell you something. I want to be serious about this one point. When I drove in here today -- and I've been here as some of you know many, many times. My dad was a Senator from this state, and we grew up down the way. Leave out the politics for just a minute. When I came in here this morning, a lot of the people out there were waving. I'm sure they were not for me. They were there because I am privileged to be the President of the United States of America.

But you sense something else out there along the highway. You sense this community feeling and this feeling of family. And I want to tell you something. The cynics, the liberal theoreticians, they can ridicule me all they want when I talk about family values. But this one transcends Democrat. It transcends Republican. And it gets to the heart of what our community is about. And the community has been diminished by the decimation and sometimes the decline of the American family.

I saw it today, that family spirit is still strong. And I just want to pledge to you, I am not going to get off talking about that because we must find ways -- whether it's welfare reform, whether it's making the fathers that run away stay there, whether it's helping, as Barbara does, hold someone in the arms to demonstrate the compassion and love we feel for our fellow man -- we've got to find ways to strengthen the American family. It is not demagoguery -- it's fundamental to America. (Applause.)

And she and I will continue to try to do our level best to set a level of decency and honor and, hopefully, trust there in the Oval Office and there in the White House.

Thank you very much for this wonderful reception. And may God bless the Naugatuck Valley. And may God bless the United States of America. (Applause.)

END

2:25 P.M. EDT

WHAT NAFTA MEANS FOR MISSOURI

◆ EXPORTS

Missouri Exports to Mexico and Canada--\$2 Billion in 1991

◆ JOBS

Missouri Jobs Supported by Manufactured Exports to Mexico and Canada--78,000

MISSOURI INDUSTRIES: NAFTA market openings benefit vital Missouri industries: electronics, food products, computers, transportation equipment, paper products, chemicals, primary metals, fabricated metals. To highlight just a few that will gain from NAFTA:

Food products, a leading North American export of Missouri, will build on their recent export gains (ranging from a 34% increase in U.S. exports of alcoholic beverages to Mexico, to a 271% increase in U.S. exports of bakery products to Mexico between 1990-91) due to reductions in tariffs and other barriers. As Mexican tariffs on food products drop to zero and import licenses disappear, the 6,000 jobs which U.S. food exports to Mexico support, will continue to increase. Removal of Canadian tariffs on U.S. foodstuffs will reach the midpoint by 1993 and zero by 1998, which should boost U.S. exports of food products above the \$3.3 billion worth exported in 1991. The NAFTA also obligates Canada and Mexico to recognize and protect bourbon and Tennessee whiskey as distinctive products, with immediate elimination of tariffs on these products into Canada and Mexico. Most other alcoholic beverage tariffs will be phased out over five years.

Industrial machinery and computers, a top Missouri export to both NAFTA partners, have much to gain from NAFTA. U.S. exports to Mexico and Canada of industrial machinery and computer exports, already at \$19.4 billion, should exceed the current 20% annual growth rate, once NAFTA is in effect. NAFTA will eliminate Mexico's 10-20% tariffs on computers and remove other restrictions to boost already strong U.S. sales of \$4.8 billion. Computer software also benefits from NAFTA: NAFTA safeguards U.S. software from piracy by strengthening copyright laws and providing stronger enforcement, which protects our 90% share (\$2 billion) of Mexico and Canada's combined software market. NAFTA computer rules of origin ensure that domestic equipment producers reap NAFTA benefits, without harming component suppliers. NAFTA also opens the important public sector market in Mexico and Canada to the U.S. computer industry through improved government procurement procedures.

Chemical products, a top Missouri export to Canada and Mexico, have much to gain from NAFTA. U.S. exports of chemicals to Canada and Mexico exceeded \$9 billion in 1991. Exports to Mexico alone supported 18,000 U.S. jobs in 1990, many in Missouri. Missouri's chemicals and petrochemicals will be more price competitive as Mexican tariffs of 10%-20% and non-tariff barriers, such as import licenses, are removed. Removal of Canadian tariffs on U.S. chemicals will reach the mid-point by 1993 and will reach zero by 1998. Missouri's chemical manufacturers will benefit from open government procurement, and improved intellectual property rights protection. NAFTA opens the Mexican chemical industry, including petrochemicals, to investment by NAFTA parties. This will help integrate the North American chemical industry, increasing its global competitiveness by taking advantage of low-cost hydrocarbon resources, open markets, advanced production technologies, and proximity to the world's largest markets.

Transportation equipment, another leading Missouri export to NAFTA countries, will enjoy continued growth as the NAFTA eliminates Mexican restrictions that have essentially closed the Mexican market to exports of U.S. vehicles and dampened sales of U.S.-made auto parts. The NAFTA will open markets for Missouri by totally eliminating tariffs on U.S. auto parts exports to Mexico in ten years (75% in five years), which will boost transportation exports to Mexico from the 1991 level of \$4.5 billion. Under the CFTA, 100% of automotive trade with Canada will be duty free by 1/1/94, boosting transportation exports to Canada, which totalled \$21.2 billion in 1991. Strict rules of origin for automotive products, stronger than in the CFTA, will prevent Mexico from being used by any non-NAFTA country as an export platform to the United States. In fact, NAFTA's auto provisions provide an incentive for manufacturers to source more parts and components in North America, a boon for the 14,000 U.S. workers -- many in Missouri -- that are supported by automotive exports to Mexico alone. In addition, NAFTA includes government procurement provisions that will create opportunities for U.S. manufacturers to sell under open and transparent bidding to Mexico's public sector, including government-owned enterprises, such as the Mexican National Railroad.

Services are an important employer in Missouri -- mostly in health services and banking. This sector will gain from unprecedented export opportunities through NAFTA. Restrictions on the cross-border provision of most services will be removed. Liberalization of the telecommunications and land transport sectors will enhance access for all service providers through cheaper communications and transport costs. NAFTA enables firms to provide services in Canada or Mexico without forcing them to establish there. NAFTA makes it easier for sales representatives, agents, market researchers, investors, intracompany transferees, after sales service providers (a vital element of success for business services), and professionals (provided they meet the country's licensing criteria) to move between the three countries to provide their services.

NAFTA offers Missouri insurance companies the opportunity to enter the previously closed Mexican market, by allowing them to acquire Mexican insurers or establish subsidiaries, provide some types of insurance on a cross border basis from the U.S., and sell certain types of insurance to Mexican residents who come to the U.S. Mexico's demand for insurance is expected to grow tremendously to meet the needs of the greatly underinsured Mexican businesses and individuals, as well as new foreign investors.

Banking and financial services in Missouri will have expanded opportunities to do business in Mexico. For the first time, U.S. banks and securities firms will be allowed to establish wholly-owned Mexican subsidiaries, and will be allowed to compete on an equal basis in the vibrant Mexican economy by the year 2000.

Missouri agriculture has the potential for sizeable gains under a NAFTA. In 1990, agricultural production in Missouri generated \$3.9 billion in farm cash receipts. Cattle and calves, soybeans, hogs, dairy products, corn, wheat, turkey, broilers, cotton, eggs, and sorghum are Missouri's leading commodities. Exports are expected to increase for virtually all of these commodities.

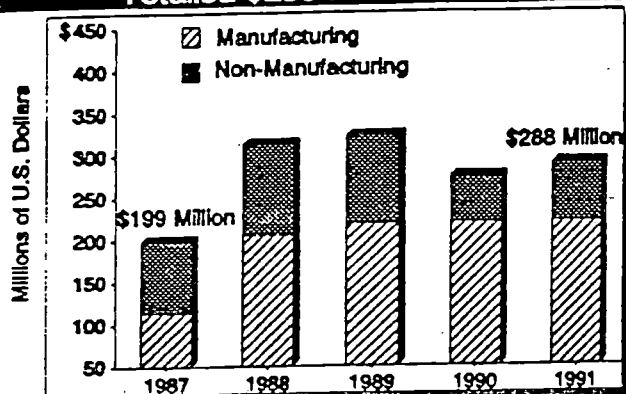
Last year, U.S. exports to Mexico of meat and live animals were \$599 million, soybeans \$343 million, dairy products \$121 million, corn \$148 million, wheat \$39 million, cotton \$55 million, sorghum \$372 million, and poultry \$131 million. Under NAFTA, U.S. cattle exports, currently small, will likely grow to over 1 million head per year. U.S. soybean exports to Mexico by the end of the transition period are expected to double, with a net gain of \$70 to \$80 million, annually above non-NAFTA levels. U.S. exports of pork to Mexico could reach 100,000 metric tons within the first few years of NAFTA, and could be twice that level by the time tariffs are completely eliminated. Under NAFTA, U.S. commercial exports of dairy products to Mexico are projected to increase moderately as border measures are dropped and Mexican incomes grow. Mexican imports of U.S. milk powder are expected to grow by 20,000 metric tons by the end of the transition period, a gain from NAFTA of \$36 million in dairy export sales at current prices. Larger U.S. grain exports will increase industry revenues for corn and sorghum by \$250 to \$300 million by the end of the transition period. Wheat exports to Mexico are also expected to increase modestly, generating additional revenues for the industry. Under NAFTA, the removal of tariffs and licensing requirements and the reduction of feed costs in Mexico will allow U.S. poultry exports to Mexico to increase slightly. U.S. cotton exports to Mexico will likely increase. NAFTA-generated income growth in Mexico is expected to increase consumer demand for textiles and apparel. Greater access and growth in consumption each of these sectors will contribute to success for Missouri under NAFTA.

MISSOURI: EXPORTS & JOBS

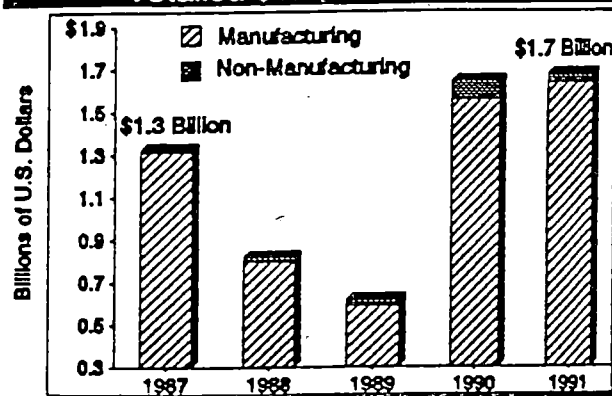
THE NORTH AMERICAN FREE TRADE AGREEMENT



**Missouri's Merchandise Exports to Mexico
Totalled \$288 Million in 1991**



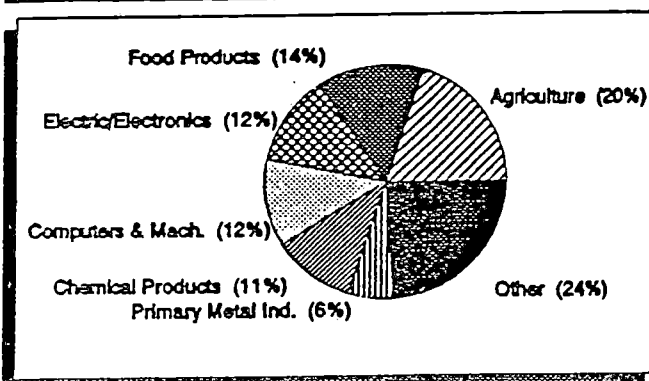
**Missouri's Merchandise Exports to Canada
Totalled \$1.7 Billion in 1991**



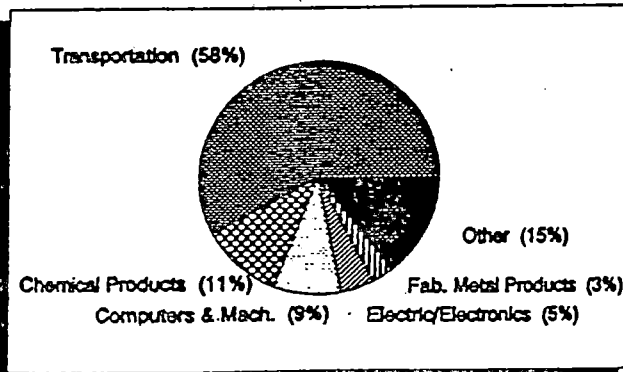
Manufactured exports accounted for 95 percent of Missouri's \$2.0 billion in exports to Canada and Mexico in 1991, and supported an estimated 78,000 jobs.

- Missouri's sales to Mexico and Canada accounted for 52 percent of the state's total exports.
- Since 1987, Missouri's exports to Mexico have grown 45 percent, while its exports to Canada have grown by more than one-fourth.
- Canada and Mexico are now Missouri's first- and second-largest export markets.
- An estimated 23,000 new jobs have been created by growth in Missouri's manufactured exports to our North American trade partners since 1987.

**Composition of Missouri's Exports to
Mexico 1991: Total \$288 Million**



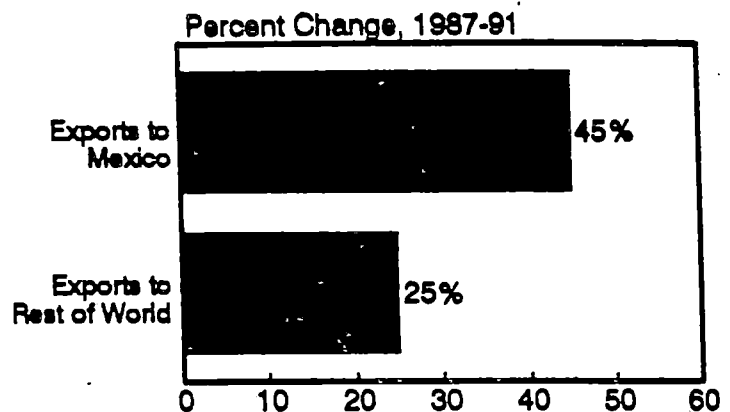
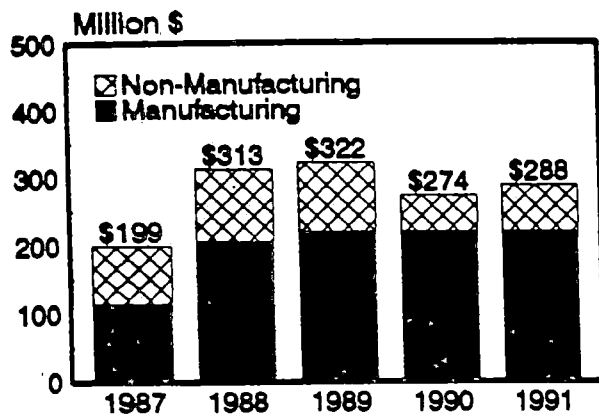
**Composition of Missouri's Exports to
Canada 1991: Total \$1.7 Billion**



For more information, contact: Office of the U.S. Trade Representative,
600 17th St., NW, Washington D.C., 20506

MISSOURI: EXPORTS TO MEXICO, 1987-91

Missouri's Exports to Mexico Grew 45% from 1987 to 1991
20 Percentage Points Faster Than Export Growth to the Rest of the World

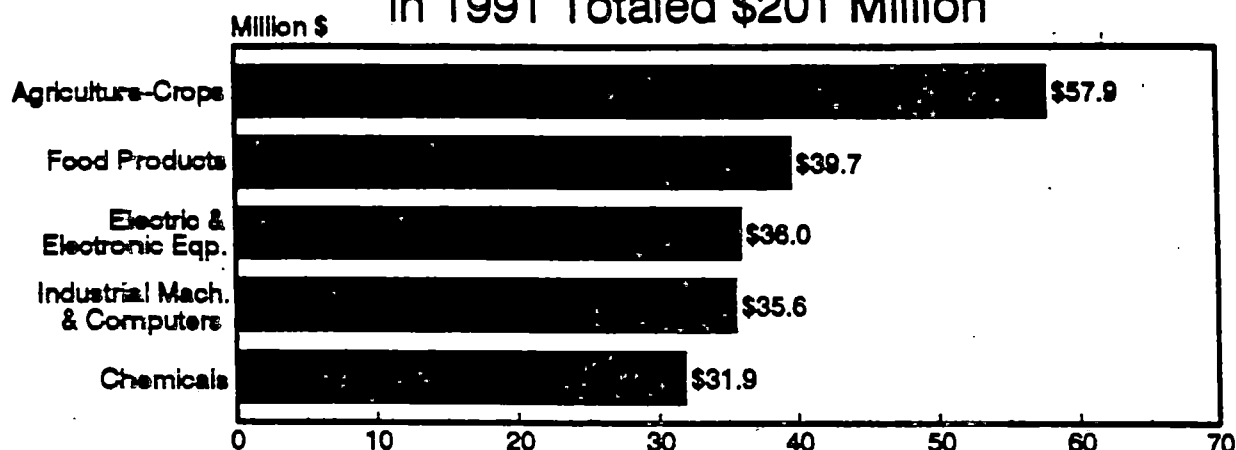


MISSOURI'S 1991 EXPORTS TO MEXICO WERE \$288 MILLION

- Missouri's merchandise exports to Mexico grew by 45 percent between 1987 and 1991, rising from \$199 million to \$288 million. The percentage increase greatly exceeded the 25 percent growth in the state's exports to the rest of the world over the same period.
- From 1990 to 1991 Missouri's exports to Mexico grew by \$14.7 million, a 5.4 percent increase. Missouri in 1991 ranked 16th among all states and the District of Columbia in the value of exports to Mexico.
- Mexico has consistently been one of Missouri's top export markets. In 1991, Mexico ranked second among the state's 151 foreign markets, up from third place in 1987, when Missouri shipped products to 138 export destinations.
- Over the 1987-91 period, Missouri consistently shipped a larger share of its exports to Mexico than most other states. In 1991, Mexico purchased 7.7 percent of the state's exports, placing Missouri fifth among all states on this measure.
- Missouri's exports to Mexico in 1991 were broad-based. The top two exports, accounting for 34 percent of the total, were crops (\$57.9 million) and food products (\$39.7 million). Three other product groups recorded exports to Mexico in excess of \$30 million. They were: electric & electronic equipment (\$36.0 million), industrial machinery & computers (\$35.6 million), and chemical products (\$31.9 million). The preceding five categories accounted for 70 percent of Missouri's exports to Mexico in 1991.
- Missouri rapidly expanded exports of a wide range of products to Mexico from 1987 to 1991. Categories that recorded the greatest growth were: furniture & fixtures (up from \$290 thousand to \$2.6 million), rubber and plastic products (from \$2.8 million to \$15.8 million), stone, clay & glass products (from \$781 thousand to \$4.3 million), and primary metal industries (from \$4.4 million to \$16.5 million).

MISSOURI: EXPORTS TO MEXICO, 1987-91

Missouri's Top Five Exports to Mexico
in 1991 Totaled \$201 Million



MISSOURI'S EXPORTS TO MEXICO, BY INDUSTRY SECTOR
(Thousands of Dollars)

	1987	1988	1989	1990	1991
AGRICULTURE, FORESTRY & FISHING	76,988	95,461	84,011	36,804	58,335
Agriculture - crops	76,454	92,110	83,907	36,432	57,893
Agriculture - livestock	534	3,330	96	297	235
Forestry	0	22	8	76	200
Fishing & Hunting	0	0	0	0	6
MINING	1,514	1,715	1,062	540	1,550
Metal Mining	25	5	0	0	0
Coal Mining	0	0	0	0	0
Oil & Gas	0	0	0	0	0
Non-Metallic Minerals	1,489	1,711	1,062	540	1,550
MANUFACTURING	114,287	205,376	219,313	219,866	219,715
Food Products	28,201	72,852	55,983	24,658	39,679
Tobacco Products	0	0	0	0	0
Textile Mill Products	593	668	191	205	252
Apparel	1,692	2,671	553	377	602
Lumber & Wood Products	469	1,178	1,614	1,104	695
Furniture & Fixtures	290	755	2,417	1,913	2,627
Paper Products	2,643	3,189	4,527	3,572	2,366
Printing & Publishing	5,942	9,086	9,769	17,208	4,080
Chemical Products	11,646	12,015	18,339	27,921	31,883
Refined Petroleum Products	534	347	197	152	562
Rubber & Plastic Products	2,784	5,738	13,076	14,781	15,813
Leather Products	107	494	439	188	983
Stone, Clay & Glass Products	781	825	1,195	1,989	4,302
Primary Metal Industries	4,371	6,402	6,929	8,432	16,456
Fabricated Metal Products	4,939	6,122	6,670	10,462	13,145
Industrial Machinery & Computers	11,320	12,059	19,223	22,774	35,539
Electric & Electronic Equipment	24,758	58,123	64,566	63,410	35,972
Transportation Equipment	11,058	9,857	8,009	15,940	10,922
Scientific & Measuring Instruments	1,396	1,781	3,308	3,065	3,333
Miscellaneous Manufactures	761	1,211	2,309	1,714	483
OTHER	5,924	10,174	17,658	16,324	8,646
Scrap & Waste	5,633	9,563	11,995	6,376	4,159
Second Hand Goods	269	545	46	0	122
Military & Other Miscellaneous Items	22	66	5,616	9,948	4,365
MO'S EXPORTS TO MEXICO	198,713	312,727	322,943	273,534	288,245
MO'S EXPORTS TO THE WORLD	2,984,432	2,737,541	2,877,652	3,818,510	3,756,813
MEXICO'S SHARE OF MO'S EXPORTS	6.7%	11.4%	11.2%	7.2%	7.7%

SUCCESS STORIES

MISSOURI

FALCON PRODUCTS, INC.
St. Louis, Missouri
Furniture Producer

Falcon Products, a commercial furniture producer, has operated a maquiladora in Juarez, Mexico, since 1974. Twenty-five years ago, Falcon imported products from Japan. Now, with its efficient maquila operation, Falcon exports to the Japanese what was formerly imported from them. The Mexican plant, which manufactures table bases, has allowed Falcon to expand its U.S. employment by 900 percent.

"Falcon started operations in Juarez, Mexico, 17 years ago with 10 employees. At that time we employed 60 employees in our plant in St. Louis, Missouri. Today we employ 130 in Juarez and 600 in Missouri, Tennessee, Arkansas, New York and Illinois ... The partnership that exists between our operations in both the United States and Mexico has effectively increased employment in both countries and has developed our markets that now extend throughout the world."

Franklin A. Jacobs
Chairman of the Board and CEO

At an assembly plant in Newport, Tenn., Falcon creates furniture products by combining parts from Falcon plants in Juarez, Arkansas, Tennessee and Missouri. The Newport plant employs 300 people and accounts for approximately \$24 million of Falcon's \$40 million in total sales. The plant works closely with Falcon/Juarez, which sends them unfinished table bases.

"Falcon/Juarez is just a part of the Falcon family — it's a way of life. It provides jobs here. It provides jobs in Mexico."

Sam Berry
Production Supervisor
Falcon/Tennessee

"As far as Mexico is concerned, we couldn't run without them. Table bases are the heart of the business."

Leonard Myers
Expediter, International Orders
Falcon/Tennessee

The maquila operation has been essential to Falcon's highly competitive international marketing strategy. Quality components from the Juarez maquila, Falcon says, have facilitated Falcon's penetration of markets both at home and abroad. Last year international sales accounted for 8 percent of Falcon's \$40 million in total sales. The commercial furniture producer anticipates further sales growth if a North American Free Trade Agreement is completed.

CONTACTS: Franklin A. Jacobs
Chairman of the Board and CEO
Falcon Products, Inc.
9287 Dieffen Industrial Dr.

Jerry Hardy
General Manager
Falcon/Tennessee
Route 1

STRATUS SPECIALTY VEHICLES, INC.
Kansas City, Missouri
Ambulance Manufacturer

Stratus Specialty, a small, family-owned ambulance manufacturer, made its first sale to Mexico in 1989. A follow-up sale in 1990 brought the company's Mexico contracts to more than \$250,000.

"As a small company, it's hard to go after European dollars, but Mexico is close by. Free trade will really open a lot of doors in medical equipment and vehicle transportation. It could increase our volume and sales ... and of course jobs."

Gene Knisley
President

The company, one of the oldest ambulance manufacturers in the United States, employs 45 people on a full-time basis but will hire more workers if the job requires it. For the Mexico contracts, 15 additional people were hired to recondition used vehicles. Stratus predicts that further expansion of sales into the Mexican market will bring total production costs down and lower prices for customers in both countries. Stratus is now considering a possible joint venture with Mexico.

CONTACT: Gene Knisley
President
Stratus Specialty Vehicles, Inc.
P.O. Box 10649
Kansas City, Missouri 64118
816/734-5000

Fax

BUSH
QUAYLE
921030 Fifteenth Street, N. W.
Washington, D. C. 20005
(202) 336-7080

TO:

Andy Ferguson

OF:

GARY FOSTER

FROM:

Director, Campaign Events and Scheduling

DATE:

FAX NUMBER:

PAGES TO FOLLOW:

SUBJECT:

COMMENTS:

_____**CONFIDENTIALITY NOTICE**

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1. Cities + products
2. Biggest for customers
3. How more competitive
- tech innovation
4. 2013. 20, 200 field
5. Oppo - Derek Shearer
Ralph Nader Symposium
goal is socialism
(Specter)

August 18, 1992

MEMORANDUM FOR GARY FOSTER

FROM: DOUG DUVAL

SUBJECT: SURVEY REPORT FOR ST. LOUIS, MISSOURI
THURSDAY, AUGUST 27, 1992

Adams Mark

314 241-7400

Rm. 1650

EVENT SCENARIO:

On the morning of August 27, the President will fly from Washington, D.C. to St. Louis, Missouri. The President will motorcade from Lambert St. Louis International Airport to a St. Louis-based company, Public Safety Equipment, Inc., which exports one third of its business abroad. The President will briefly tour the plant and address 1500 -2000 area employees. The theme of the event will focus on exports, jobs and the economy. After his 9:00 am address, the President will motorcade back to the airport and fly to Cincinnati for additional campaign events.

PROPOSED EVENT SITE:*attend a Victory '92 reception and then*

Public Safety Equipment, Inc. (PSE) is a privately owned ^{firm} ~~from~~ located only 15 minutes from Lambert St. Louis International Airport. St. Louis serves as the company's World Headquarters where they design, manufacture and service a vast array of emergency equipment (police sirens, light bars and rescue equipment, etc.).

Their 90,000 sq. ft. complex houses approximately 200 employees, its administrative, engineering, sales staff and all manufacturing operations. PSE was founded in 1974, and five years ago they made a commitment to export. Today, they sell their sirens and warning devices to police forces and fire crews in 48 countries. Exports now account for 35% of total annual sales. Exporting has pushed PSE to become an innovator and leader in its field allowed them to avoid what would have been relatively low growth due to the recession.

Public Service Equipment, Inc. was one of a dozen Missouri companies to be visited by Governor Ashcroft's "Exports for Success" tour last month. During the last four years exports from Missouri have increased 31% with more than 1600 businesses exporting products and services to 166 countries.

Much of PSE's 90,000 sq. ft. is occupied by offices, assembly areas and permanent storing of inventory. Their Executive Vice President, Ed Ryan, seems receptive to provide a forum for the President's speech and we were able to find an area to hold approximately 1500 standing employees from PSE and other companies.

There are many entrances to the main manufacturing plant, even one within the event site. However, I recommend the President use the

main entrance to the facility where he could be greeted by PSE's management and be taken on a brief tour of the plant. The tour will conclude at the event site, located in the rear of the plant.

Although Public Safety Equipment, Inc. has a rather industrious setting, there is no natural backdrop that truly stands out. I propose the President's dais to be placed in front of a large stack of inventory (hundreds of various sized boxes). This stack is piled from the floor to ceiling (40 feet) and runs 80 feet across the width of the event site. PSE also offers a 30 ft. display of sirens and lightbars which could flank the dais in the background. The press platform could be placed head-on with its back to the loading dock entrance.

Surrounding the President on at least three sides would be PSE's 200 employees, other local employees and a limited political crowd. This would certainly not be a campaign rally atmosphere but a natural business/manufacturing setting where the President can speak about exports which create jobs and economic growth. PSE also offers a good opportunity to include law enforcement themes since its clients are police forces and fire crews.

PSE has had no recent layoffs, they are non-union and the management would consider it a great honor to host the President. The St. Louis ~~and~~ Chamber of Commerce would also be instrumental in getting other employees to attend the event. PSE has applied for a Department of Commerce "E Award". After checking with the Missouri Department of Commerce, I found out that they don't ~~quality~~ ^{qualify} because they have not been exporting long enough.

In four of the last 10 presidential elections, Missouri was carried by fewer than 30,000 votes. In 1988, President Bush's margin over Michael Dukakis was nearly 73,000.

OTHER EVENTS SITES VISITED

Mark Andy -- Second Option! Company that manufactures printing presses has 260 employees. One third of its business is exported related. It would make for a logistically conducive event site. However, it is located 35-40 minutes from Lambert Airport (only 5 minutes from Spirit of St. Louis Airport) and is not considered part of St. Louis. It would be difficult to draw the business crowd and there is no decent backdrop.

Multiplex Industries: Manufactures of soft drink dispensers. One third of business is exports. Recently lost part of a McDonald's International account and has laid off 10 employees in the past year. Only an outside event site would work. Remote location.

Petrofsky's Enterprises: Family-owned firm which exports bagels to Japan, United Kingdom, Mexico, Hong Kong, and Taiwan. 10% of their business is exports. Only indoor site would hold 300. They are in operation 24 hours a day. They have patent protection machinery and would be reluctant about admitting cameras and general public

into the site.

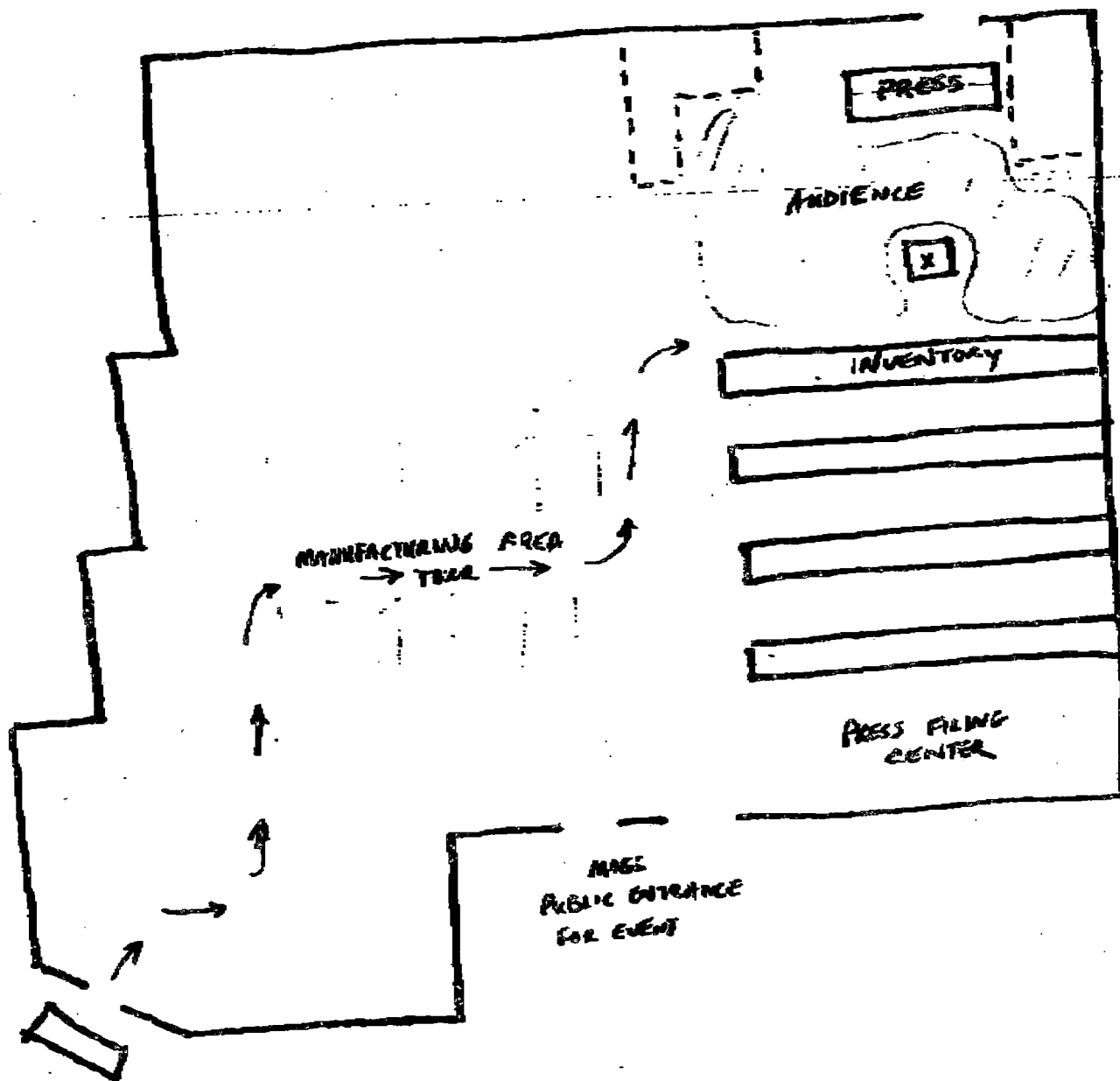
CONTACT:

Joanie Featherston, Gov. Ashcroft's St. Louis Office, 314/751-6900

Dan Barber, Public Information Officer, Missouri Department of
Economic Development 314/751-9065

Ed Ryan, Executive Vice President, Public Safety Equipment, Inc.
314/426-2700 Mike Latfa, President.

ST. LOUIS, MO
PUBLIC SAFETY EQUIPMENT
THURSDAY, AUG. 20



*You
For
314/487*

PUBLIC SAFETY EQUIPMENT

page 314/955-54

Public Safety Equipment is a privately owned firm located at 10986 N Warren Road in St. Louis, Missouri. Mike Letta is President of the company, Ed Ryan is Executive Vice-President. The phone number is 314-426-2700. The Fax is 314-426-1337.

Governor Ashcroft recently honored Public Safety during a statewide tour highlighting Missouri's export successes. During the last three years, exports from Missouri have increased 37% - more than 1600 Missouri businesses exported a combined \$4.5 billion in products, services and goods to 166 countries in 1991. Missouri exports support an estimated 100,000 jobs in the state.

Public Safety Equipment's 200 employees are literally lighting up the world with police sirens, light bars, and other warning devices used by police and fire departments in 48 countries. The company's exports have grown from 15% to 38% over the last five years.

The company builds most equipment to order, allowing employees to define their work flow and work with end users -- often highway patrols -- to meet changing needs and design improved products.

Public Safety Equipment has been assisted by Missouri's export business development office. "We've participated in international meetings, catalog shows, etc.," said Ed Ryan, vice president of marketing. "The state office in Tokyo also has helped us in locating distributors on the Pacific rim."

The state of Missouri has international trade offices in Germany, Japan, Korea and Taiwan. The state will soon open a fifth international trade office in Mexico.

Public Safety is a very employee oriented firm and the plant is very clean and colorful providing many visual opportunities.

Public Safety Equipment was very appreciative of the Governor's recent visit and the company went out of its way to include its employees and local community leaders in what was a very successful and enjoyable stop on the "Exports for Success" tour.

(Ferguson/Walters)
August 25, 1992
3:20 p.m.
STLOUIS

PRESIDENTIAL REMARKS: PUBLIC SAFETY EQUIPMENT, INC.
ST. LOUIS, MISSOURI
AUGUST 27, 1992
9:00 A.M. (??)

Thank you and good morning.

(Acknowledgments, humor)

Together we have seen a world transformed these past three and a half years -- a world made new by American strength and resolve. But now that the Cold War is over, the defining challenge of the '90s is to win the economic competition of the new global economy -- to win the peace.

Our goal is simple and profound: We must be a military superpower, an economic superpower and an export superpower.

In this election, you'll hear two versions of how to do this. My opponents' answer is to look inward, and protect what we already have from the challenges of this new world. My approach is to look forward -- to open new markets, prepare our people to compete, to restore our social fabric -- to save and invest, so that we can win.

Twenty five years ago, where you're standing was a patch of bleak, undeveloped real estate. Now look around -- because of your dreams and hard-work, that patch of ground is a bustling factory, creating light bars and sirens that help save lives and keep the peace from Manila to Santiago.

There was a time when companies like PSE could be satisfied with a national market -- sell your goods in the fifty states and leave it at that.

But you here at PSE know that's no longer good enough. So five years ago, you took on the world. I'm told that now 35 percent of what you build right here is sold outside our borders, in 66 different countries. That bold, forward-looking strategy has helped you weather the uncertainties of the past few years.

PSE's story is a parable for our entire country's economic future -- never settling for less, always pushing ahead, embracing the challenges of foreign competition and reshaping them as opportunities.

Let me offer a personal note -- tell you how I learned about competing in the world.

I spent a good part of my life out in West Texas, in the oil business. I painted rigs for a while, even lived out of a suitcase as a traveling salesman. And all around me in those days -- the fifties and early sixties -- I saw towns and businesses bloom from those dusty plains like desert flowers.

Why? The reason was simple: The world wanted what Texas had to offer -- cotton and cattle and crude.

We understood that the more goods we sold outside our borders, the more jobs we could create within them.

Later on, when I started my own business, I learned again: we had to take a global view to compete. I shopped for investors on the west coast, on the east coast, but I couldn't stop there.

I traveled the world -- to Europe and the Far East. Every dollar we could bring into this country was a dollar that went to expand our company, create jobs in our community.

I've seen it over and over again: as U.N. ambassador, envoy to China, and now as president. You learn how important America is to the world, but you also learn how important the world is to America -- not just for national security, not just for military preparedness, but for creating jobs, right here at home.

We've held steady to this vision for three years now, and with great success. As we knock down trade barriers, American companies are rushing to meet the demand. Exports are up xxx in the last five years; America is once again the world's leading exporter.

What does that mean right here? I'll bring it closer to home. In Missouri, exports are up 37 percent over the last three years -- \$4.5 billion worth of goods shipped to 166 countries on every continent.

Impressive numbers, but when you get behind the abstractions of export figures and trade statistics, you find the real benefit of the new world economy -- in a word, it's jobs. Here in Missouri, 100,000 jobs are supported by foreign trade. Across the country, more than 7 million Americans are employed for the same reason.

That's the way the world works these days. It's a world where products can be shipped at the speed of sound and investment money can cross borders at the speed of light.

Everyone recognizes that the world is moving at a faster pace than ever, but I see something more: it's moving our way. Right now we're building on the export success of the last three years. Two weeks ago we entered a new era of open trade. Along with Mexico and Canada, we initialed the North American Free Trade Agreement, with the goal of creating one of the largest free-trade areas in the world -- an integrated economy worth more than \$6 trillion dollars.

Here in Missouri, you already export \$2 billion worth of goods to Mexico and Canada. That's a lot of paychecks, but our new agreement will make that success look like kid's stuff.

NAFTA is a solid agreement -- when you've been in as many tough negotiations as I have, you learn to tell the difference. It will protect the environment, and more important, it will protect American workers. And more: it will create new jobs for this generation and the next -- especially the kind of high-tech, high-wage jobs we'll be proud to pass on to our children.

We're going to take this case to the liberal Democrats on Capitol Hill, because they need to hear it. A free-trade agreement isn't a way of dividing up the economic pie, where one side's loss is another side's gain; it's a way of making the pie bigger for everyone who participates.

The liberals don't seem to get it. Right now, in fact, before our initials are even dry on the agreement, the liberals in Congress -- led by somebody who might be familiar to you,

Congressman Dick Gephardt -- are calling for us to slap a tariff on any new trade that comes from NAFTA.

Think about that for a minute -- ((which is a minute longer than they've thought about it)). After years of tough negotiations with our two closest trading partners, we've agreed to end tariffs. The congressional Democrats say: Okay, fine. But first you have to put on a new tariff.

In other words, the only way they'll agree to reduce tariffs is if they can raise tariffs.

That's like telling us they want us to hit a homerun, but please don't hit it out of the park because we don't want to lose the ball.

This "transaction tax," as they call it, will increase the cost of goods you want to buy, and discourage the creation of new jobs for you and your neighbors. It turns the agreement on its head -- defeats the whole purpose.

Now, I suppose I could ask my opponent to help me out with his liberal Democrat colleagues on Capitol Hill. Governor Clinton says he's for free trade "in principle."

But "in practice" may be a different story. Actually, it's not clear where the governor stands. Last year, Mr. Clinton called a free-trade pact with Mexico "imperative." Then this April, the Washinton Post reported that the protectionists were "breathing easier" because he endorsed their trade position. Then in July, he said he was "applauding Majority Leader Gephardt's efforts."

This week, maybe the governor delivered his final word on the subject. He said he was studying our agreement. Then he said: "When I have a definitive opinion, I'll say so."

The way Governor Clinton wiggles on free trade, I'm not surprised he compares himself to Elvis.

No matter how much Governor Clinton would like to fudge the issue, the difference couldn't be clearer -- and the difference is based on two very different views of America's future. My opponents see trade barriers falling and they say: Hold everything. They see new markets for American goods and they say: Wait a minute. We can't compete. The American worker can't cut it. So let's pull down the blinds, lock the doors and hope the world goes away.

Well, let me tell them something you already know. The American worker doesn't have to hide from anybody. We have the most productive workforce in the world. Americans can outwork, out-think, out-compete anybody, anywhere, anytime.

That's something everyone in the world seems to understand - everyone but the protectionist Democrats. Over the last decade, we've seen a flood of foreign investment in the United States, with businesses from all over the world setting up shop from Portland, Oregon to Portland, Maine. These investors are following a simple logic: if you want the best science and universities in the world, if you want the best workers in the world, you have to come to the U.S.A.

Now, this investment makes some people uneasy. I understand that -- particularly when the other side tries to stir up fear and resentment against foreign capital. I was in Utah not long ago, and a very articulate woman confronted me on the issue. I told her we probably couldn't see eye to eye on it, but I tried to tell her why I felt so strongly against the isolationism that would keep foreign investment out of America.

There was an irony in her timing. I had just returned from meeting with the heads of the industrialized countries in Munich, and while I was there I was pleased to team up with Governor Carroll of South Carolina and the head of BMW to announce a new BMW plant in South Carolina. That means 10,000 jobs to the people of that state.

Now, I don't think the 10,000 South Carolinians who get those jobs are going to argue against foreign investment. One out of every ten manufacturing workers in the United States works for a company supported by foreign investment. That's the bottom line on foreign investment in the U.S.: jobs -- jobs for Americans, and growth for the American economy.

That's the way the world works in a global economy. Again, Governor Clinton just doesn't seem to understand. But he's not wiggling on the issue of foreign investment -- not at all. He's surveyed the issue and come out foresquare for -- you guessed it -- a tax increase.

He's proposed to increase taxes on foreign investment in the United States, each one of those companies that employ a total of 4 and one-half million Americans.

Governor Clinton says his new tax will raise \$45 billion. He might want to talk to his own Democrats on Capitol Hill. The Joint Committee on Taxation says that estimate is about 45 times too high.

Governor Clinton says his tax increase will "crack down" on foreign companies, but all it will really do is drive them out. And if they go, they'll take those jobs with them.

Travel around this state. Go to New Madrid (MA-drid), talk to the 1200 employees at Noranda Aluminum -- or to Joplin, talk to the 425 employees of Atlas Powder. Go to any of the 244 foreign-owned companies that employ 60,000 workers right here in Missouri.

If Governor Clinton's tax hike had been in effect these past few years, few if any of those companies would have located in the United States -- few if any of those jobs would have been created for Missourians.

And it's not just Missouri. Whether it's the Nissan plant in xx Tennessee -- whether it's the xx plant in xx, xx -- Governor Clinton's tax increase would be felt in every region of every state of this country.

Governor Clinton forgets something about international relations. If he raises this tax, our foreign competitors are going to say: "What's good for the goose is good for the gander."

His tax is like a gilded invitation sent to foreign governments where U.S. companies also do business. And the invitation reads: "Please retaliate."

The result would be not just a reduction in investment here, but a contraction worldwide. There was another occasion when that happened. It was in 1930. Right before the great depression.

No other major industrial nation has the kind of tax Governor Clinton proposes -- not Germany, not Japan. But I can tell you one nation that does tax foreign investment as he would like: India.

Well, here's a promise I am proud to make: As long as I am president, India will not be a model for how to conduct economic policy in the United States of America.

So let's review the facts about Governor Clinton's tax: It won't raise revenue. It won't create a single job. It will discourage investment. And it threatens to start a trade war at the very moment when markets the world over are opening up to American products.

We should ask why, given all this, Governor Clinton would ever propose such a tax in the first place. I can tell you why. Today change is accelerating, and change breeds uneasiness, skepticism, even fear. And by disparaging foreign investment, Governor Clinton hopes to exploit the darker fears of this uncertain age -- fear of the future, fear of the unknown, fear of foreigners.

Well, let me tell Governor Clinton something: You can play politics with, but those are American jobs you're playing politics with. Those are American workers you're putting at risk.

The American people won't buy it. We're bigger than that. The proudest people on earth have never stooped to fearmongers before, and we're not going to start now.

In talking about America's future in the global economy, I mentioned my own experience, because I want you to understand why I believe what I do about America's ability to compete. Governor Clinton takes a different view, and it is borne of his life experience -- a life spent in government.

You see the difference on issue after issue. I understand that you boost the economy by cutting taxes. I understand that you cut the deficit by cutting spending. I understand that you open markets by tearing down barriers -- by sitting down at the table and hammering out a tough and fair agreement.

So the American people have a clear choice this year. It's a choice between the patrons of the past and the architects of the future. I believe we can shape what lies ahead -- not by turning away from challenges but by doing what you here at PSE have done. You didn't shrink from challenge, you embraced it. You didn't shrink from competition, you met it head on. You didn't retreat from foreign markets, you conquered them.

I have faith in America's future -- because I have faith in the American people. It's the same faith that brought me out to

Texas more than 40 years ago -- the same faith that brought me into public life -- the same faith that has led me to fight for open markets -- because I know that no challenge is too great for the American heart.

Thank you and God bless you.

#

SD-

Apparently Gov. Ashcroft's

Office honored Public

Safety Equipment Inc not

too long ago. Please get

Whatever citations & remarks
from them (Ashcroft's office, I mean)

Andy

Thursday, August 27th: Missouri, Cincinnati, Findley, Ohio.
(Ferguson)

The news event of the day is the Missouri event. The President will appear at a TBD plant that is an American subsidiary of a foreign company. ~~The speech should outline the President's free trade philosophy and agenda, then make the case that Governor Clinton is a closet protectionist, who doesn't understand the world economy.~~ Specific criticism should be levied at Clinton's proposal to tax foreign investment, and the President should list the plants and jobs that would threaten in key states. Andy should call Dan Crippen with the campaign for help in researching the true impact of Clinton's proposals and developing a fact sheet to accompany the speech.

The noon rally in Cincinnati will be outside, off cards. The President should deliver the ~~basic economic stump speech~~ he delivered in Connecticut, with a specific insert on trade, summarizing the speech of the morning (with local anecdotes). We will use the same speech for Findlay, Ohio that evening.

Friday, August 28th: Louisiana:

This event has just been added, so I'm not sure of appropriate topic. Tuesday morning we will decide topic and make the assignment.



United States Congress

Washington, DC 20515

Larry Hunter USCOC x 2979
Lowell Gallaway

FOR RELEASE AUG. 10, 1992

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GOP STUDY: CLINTON PLAN KILLS OVER 1.8 MILLION JOBS

WASHINGTON, D.C. (Aug. 10, 1992)--The first-year effect on employment of the tax increases and Federal mandates on businesses contained in presidential candidate Bill Clinton's economic proposal would be a net loss of more than 1.8 million jobs and an increase in the unemployment rate of 1.5 percentage points, according to a study by Republican staff economists at Congress's Joint Economic Committee (JEC).

According to the study, "Putting People Out of Work: First-Year Growth and Employment Effects of the Clinton Economic Plan," the play-or-pay health care proposal is the biggest job-killing component of the Clinton package. Such a mandate on businesses to provide all workers with health care would result in the loss of more than 712,000 jobs in the first year of its implementation.

- Increased taxes on corporations and individuals would cost more than 437,000 jobs;
- new environmental regulations in the Clinton plan would lose an additional 271,000 jobs;
- indexing the minimum wage to the rate of inflation would stymie the creation of 42,000 new jobs, and;
- the new training tax would kill nearly 265,000 jobs.

Clinton's claims of creating new jobs through higher spending on Federal jobs programs are more than offset by his promise to cut the Federal work force by 100,000 in his first year and the size of his defense cuts, which would result in 240,685 defense industry employees losing their jobs.

(continued)

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

August 12, 1992

PRESS BRIEFING
BY
U.S. TRADE REPRESENTATIVE AMBASSADOR CARLA HILLS

The Briefing Room

9:07 A.M. EDT

MR. FITZWATER: Good morning. This morning's briefing on the North American Free Trade Agreement is by Ambassador Carla Hills, the United States Trade Representative. Ambassador Hills has a brief statement which she would like to offer, and then will take your questions.

Thank you very much.

AMBASSADOR HILLS: Good morning. The North American Free Trade Agreement announced this morning is the product of President Bush's vision of the economic growth that will occur through hemisphere free trade. The President's marching orders to his negotiators were simple: Bring home a deal that's in the best interests of the American worker, consumer, exporter, and the environment. And when such an agreement is in reach, seize it. No sooner, no later.

And very early this morning we did just that. We reached an accord that brightens America's future by making it and all of this region more globally competitive. The bargaining was intense, but always in good faith.

And I want to praise my counterparts, Mexican Secretary of Commerce Jaime Serra Puche, and Canadian Minister of Trade and Industry Michael Wilson, for their energy and their constructive participation. But I especially want to praise and warmly thank Ambassador Julius Katz, the United States chief negotiator; Chip Roh, Assistant United States Representative for North America; Gary Edson, General Counsel for the organization; and Kathy Lydon, who heads our public and private sector section.

And I want to thank the vast U.S. interagency team composed of negotiators from 10 agencies, whose efforts and dedication made it possible for America to reap the enormous benefits of this agreement. Never has an agreement offered such a balance of economic growth, opportunity, workers' benefits, and environmental sensitivity.

As President Bush pointed out early this morning, the agreement will generate new high-paying jobs in America. More than 600,000 Americans now owe their jobs to our exports to Mexico, and with this agreement, this number will swell past one million. More than a million and a half Americans owe their jobs to our exports to Canada. And these workers in exports-related fields earn 17 percent more than the average American worker. Such gains would be reasons enough to celebrate the conclusion of these negotiations. But I want to tell you that the agreement we've negotiated is chalk full of firsts. Let me just mention a few:

MORE

For the first time, the Mexican market will be open to U.S. autos and light trucks and auto parts.

This agreement is the first trade agreement that will guarantee total market access in agriculture, a critical issue for American farmers. And you should know that Mexico is our fastest-growing, agricultural export market.

This agreement is the first international trade agreement to eliminate quotas on textiles and apparel.

This accord is the first agreement to create free trade in services, covering Mexico's \$6-billion market in telecommunications services, a \$3.5-billion insurance market. And it also creates open roads for U.S. trucking and bus companies carrying international cargo to all of Mexico.

For the first time in 50 years, U.S. banks and securities firms will be able to establish wholly-owned Mexican subsidiaries. And the North American Free Trade agreement is the first trade agreement to include far-reaching provisions to protect and improve the environment. This agreement meets or exceeds President Bush's commitments made last May to Congress. And it does this by maintaining U.S. environmental safety, health standards, and by allowing us to enact even tougher standards at the state level and nationally, and by encouraging our partners to strengthen their standards.

While this agreement is generating new and high-paying jobs for Americans, it will safeguard U.S. workers against the threat of injury from imports by ensuring that U.S. tariffs on sensitive products are reduced gradually over more than a decade.

The successful conclusion of the North American Free Trade Agreement is the latest achievement in the President's trade policy. Far more markets are open to the United States today than were open four years ago. And as a result, last year the United States achieved its rightful place as number one exporter with \$422 billion in exports worldwide. And exports have soared in all sectors, from coast to coast. Since 1988, all 50 states have expanded their exports around the world on average by 72 percent. And this surge in exporting has generated almost \$100 billion in added output for American companies, and created over two million jobs.

In sum, the President's consistent market-opening trade strategy is paying off for American businesses and in the weekly paychecks of American workers. And we look forward as an administration to working closely with Congress and with our private sector as we have done throughout these negotiations to make this North American Free Trade Agreement a reality and a benefit for all Americans.

Thank you so much. And I'm pleased to take your questions.

Q Ms. Hills, on the area of automobiles, is there a standard on rules of origin? It goes up to 62.5 percent. Is that phased in over any time period, and is that a corporate average or is it by model?

AMBASSADOR HILLS: You've really read the fact sheets. (Laughter.) It's by model averaging. It is phased in on a four-plus-four year basis. And it does get to 62.5 percent of North American content.

Q Where does this start at?

AMBASSADOR HILLS: It starts at 50, where it is today.

Q When you mean four by four --

AMBASSADOR HILLS: Four years plus four years.

Q What happens in the first four years?

AMBASSADOR HILLS: We'll phase up from 50, and there's a mathematical formula -- don't ask me to give you that -- that will get you to 62.5 in eight years.

Q Ambassador, if you were going to try to explain this to the Kiwanis Club in Des Moines, Iowa, today, how would you explain it to them?

AMBASSADOR HILLS: I would tell them that Mexico is our fastest growing export opportunity; that 70 percent of our growth to our economy comes from our exports; that exports translate directly to the bottom line into jobs; for every billion dollars worth of exports, we generate 20,000 new jobs; and that this agreement not only locks in the economic reforms and export opportunities that we have secured to date, but builds upon them and creates a real job machine at our back door.

Q Having read the fact sheet, the part on worker adjustment doesn't seem to be as well laid out as is the rest of it. The administration is saying only that it's going to consult with Congress. Most of the opposition from the labor unions and others is that there's going to be a lot of worker adjustment that needs to be addressed. Have you any specific proposals that you're ready to make?

AMBASSADOR HILLS: We are working very closely with Congress to follow up on the negotiation agreement. It would be inappropriate for us to draft the final worker adjustment program until we knew what we had obtained in the agreement. But we have worked closely with our Labor Department. We have had numerous consultations with Congress. And questionnaires have been sent to 160 labor and business groups. We're well on our way with the cooperation of Congress to building a bipartisan program that will accomplish the needs of workers who are affected adversely by this agreement.

But I am quick to say our economic studies show that there will be net job gains, not losses, out of this agreement.

Q But there will be a period of time where workers are -- many workers are moved out of jobs, their jobs moved south, or there are changes in those jobs. Have you at this point any predictions based on what's in the treaty on how many people might be affected, and any kind of estimate of what it's going to take to help them, and what kind of programs the President is willing to offer?

AMBASSADOR HILLS: Let me take your questions one by one. First of all, we do have economic analyses that show job gain across a majority of all sectors. Second of all, the tariff reductions, the reduction of our barriers, will occur gradually so that the problems will not occur in the early years. Notwithstanding, the President was absolutely committed to having a program that was in place.

We have two programs that are in place -- the economic dislocation worker adjustment program, which has been funded at a half-decade high; and we are committed to try to create a new program with Congress to deal with any unforeseen or dislocations that occur.

Q There's been a theory that the workers most likely to be displaced are those who are least skilled and whose jobs are most easily transferred to a less expensive work force in Mexico. Can you describe who you think is likely to be displaced? And even though every prediction is there will be net gains, how many American workers do you anticipate will lose their jobs even though the net ends up with a job gain for the country?

AMBASSADOR HILLS: All of the economic studies show job gains, not job losses. But let's face it, right now we have a one-way free trade agreement with Mexico. Our average tariffs are below four percent. So that when we put in this free trade agreement, that does not mean that our protections are dramatically reduced so that workers in sectors lose immediately protections they, frankly, have been in a one-way free trade circumstance.

What this agreement does is to dismantle tariffs that are 250 percent higher than ours; dismantle licensing that covers 25 percent of our agricultural exports; dismantle export performance requirements that keep our transportation equipment out of Mexico; and, in fact, create jobs for workers up and down the job skill. But please note that jobs connected to exports pay 17 percent more than jobs in our overall economy. So we not only see a greater job creation, we see a better job creation.

Q Ms. Hills, a couple -- if you'll forgive me, a couple very discreet questions about the agreement. First of all, on procurement, can you tell us what the transition period would be for Mexico to reduce its barriers to U.S. procurement of Mexican government contracts, whether PEMEX has made any commitments as to how much of their contracts would be included in this phase-out

And secondly on autos, just briefly describe for us the trade balancing and performance requirement phase-outs because it's not in the details we've gotten here.

AMBASSADOR HILLS: John, on procurement, the transition is that PEMEX, that is the state-owned monopoly covering oil and CFE, which is the state-owned monopoly covering electricity, will put 50 percent of their procurement up immediately. That will expand to 70 percent over eight years. And on the 10th year there will be no restriction at all. We think that's very good for our industry that sells services and goods into Mexico and has never before had such opportunities.

In the trade balancing, if I tell you the formula is reduced by .8 down to .55, will you know more? Let me tell you that the trade balancing is a formula whereby Mexico has greatly restricted the ability of investment in Mexico to buy our transportation equipment, and that those who have located in Mexico in order to get around the trade barriers have been forced to use local content. For the first time in history these trade barriers will be eliminated, and in a decade, the auto-truck markets will be wide open to competition. And that means that our companies can rationalize, sell more goods throughout the region, and be more globally competitive. It is really a first.

Q When the Canada agreement was signed there was a lot of confusion at the end and many of the details had to be worked out after the agreement was formally made public. Is this agreement complete in every single detail? Who will be involved in drafting the documents to submit for public inspection in the Congress? And when will Congress actually get these documents?

AMBASSADOR HILLS: Your recollection is correct. The submission to Congress was far less detailed in the Canadian Free Trade Agreement than what will occur on this occasion. We have a detailed text, and after we shook hands this morning we turned to our

lawyers who have been working side-by-side with us, and asked them to give the document a legal scrub.

This is going to take a number of days because this is the most comprehensive and complex free trade agreement that we've ever entered into. I can't tell you precisely how many days, but Congress will get a very good text, and with it, 40 reports from our private sector advisors.

When we send the text forward and those 40 reports, that constitutes the statutory notification of Congress and starts the clock ticking before which we cannot sign the agreement. Congress must have that agreement before it for 90 calendar days before the President can sign the agreement.

Q Will you be able to supply by noontime or earlier the list of sensitive tariffs, what they are and how they're going to be phased out? I'm talking about agriculture, beer, lumber, glassware, horticultural --

AMBASSADOR HILLS: Yes. We certainly can supply those of you who are interested in the detail of those sorts of items. There are 9,000 tariff items, but we think we know those that you've asked about in the past and we can give you that information.

Q And if I could follow up. On the energy agreement, it appears that Mexico has a bye from the short supply requirements that is part of the U.S.-Canada agreement. Is that right?

AMBASSADOR HILLS: Yes. We do not have a provision that is comparable to the security of supply in the Canadian agreement.

Q Why?

AMBASSADOR HILLS: And that is because of the limitations posed by the Constitution and the fact that we thought the provisions that we got that opened up the electricity market, back-to-back sales in the gas market, the procurement through PEMEX and CFE, and the overall opportunities in the energy market were extraordinarily important and valuable.

Q A number of the nation's largest retailers who have been following NAFTA negotiations very closely now, basically -- as of last night have said that the provisions for textile, apparel trade, so-called triple transformation, are so restrictive that it will do them very little good, if any good. They've referred to this, many of them, many from the largest companies -- refer to it as the North American protection association. A number have vowed to fight this as it comes before Congress. What response would you have to these companies who say that they just could not get anything to help them --

AMBASSADOR HILLS: I believe that when they see the agreement and I have an opportunity to explain its ramifications, they will be very, very pleased. You know, rule of origin is not a protectionist device. A rule of origin is just a way in which we are assured that the benefits negotiated within the region are for the region. We're not raising our tariffs or restricting our quotas to the outside world. Indeed, to the contrary. The tariff rate quotas that accompany the rules of origin are dramatically increased, which permit securing and buying from beyond the region. And we hope that in our global negotiations, we can liberalize around the region.

But this is not a protectionist agreement, not at all. And if you look at every one of the quota sectors, they have been increased dramatically to enable North American retailers to buy and textile manufacturers to buy in a broader spectrum than they had before.

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Q But just to follow up, if I could, please. Why not in the NAFTA go with the so-called single substantial transformation rule as in the case in U.S.-Canada FTA? This is for textile apparel. Why not maintain the same provision?

AMBASSADOR HILLS: Because we have a very good fit with Mexico, a country of 80 million on our border. And when we looked at the trade statistics, we thought that the benefits in this sector ought to be retained for the region. That that will make this region more competitive. At the same time, we married it with provisions that did not make more restrictive the access to the outside world.

The trade benefits -- when you start at fiber, yarn, fabric, apparel and retailers -- are so balanced and so beneficial, we have literally a stipulation from a majority including many, many retailers that this is really an exquisite agreement to enable all sectors to be more globally competitive.

Q During the legal scrub, will there still be consultations with negotiators from both countries on possibilities of minor changes that may come up as resulting from questions that your lawyers may have?

AMBASSADOR HILLS: Of course, we'll be in contact with the negotiators throughout the process, for as the lawyers find a wording that is less than clear, as is inevitable in a document of this complexity, they'll have to go back to negotiators and determine exactly how to phrase this in a consistent and harmonious way with all the provisions. But if you mean, will there be negotiations on small points that are meaningful so that someone could be surprised, no. We completed our negotiations last night.

Q What takes effect immediately or pending the approval of the agreement by the U.S. and Mexico and Canada? Is there any significant thing that takes effect right now, today?

AMBASSADOR HILLS: The most significant thing is that I have the pleasure of briefing the press on the provisions.

Q All right. What about the agreement, though?

AMBASSADOR HILLS: The agreement is over there with a corps of magnificent people from all three countries, trying to pull it together and to work with our private sector so that they can write their reports, evaluating it in its many parts. And when we finish that, we will send it forth to Congress.

We anticipate that we may initial it, the three governments may initial it, either immediately before or immediately after we send the text to Congress. Suffice it to say that then the 90 days runs and sometime into the future, we'll have an opportunity to sign the agreement.

But then, of course, it's not in force. Then that simply means that we may sit down with Congress and work out the implementing legislation which we will undoubtedly send forward in the next Congress because we've run out of days in this session. And Congress has 90 session days next year in which to approve the agreement. That works out to about eight months.

So we have a good process and a significant time span ahead of us.

Q It's been reported that some of the President's political supporters would have been just as happy to see this trade agreement put off until after the elections. Was there any political concern that this trade agreement will in any way hand organized

labor, hence Democrats, some political ammunition to use against the President?

AMBASSADOR HILLS: There have been lots of suggestions that various sectors have their special concerns. But I can tell you that I talked to the President on this issue on a number of occasions; he believes so firmly in the benefits that will come to the country from this agreement that he wanted no hesitation, no delay, no manipulation of the time but, as I said at the outset, to seize the agreement when it was ready and not before, no sooner, no later. And that's exactly what we did. So we did not look at the political clock, we looked at the agreement's content.

Q And is the White House confident that they can sell this politically in the short term? Short term meaning between now and November, of course.

AMBASSADOR HILLS: I think it's an obligation upon all of us that have been connected with this, in my view, visionary venture to get out and tell the American people what is in this agreement and why we launched this negotiation, because it has enormous benefits as the global economy is restructuring itself. You know, today our growth to our economy depends upon exports. And exports generate jobs. Therefore, if you want jobs; you've got to have exports. And Mexico is our fastest growing export opportunity.

Mexico buys 35 percent more from us per capita today, with all of its trade restrictions, than does the European Community on a per capita basis.

Q The opening material talks about the agreement providing a framework for sustained liberalization of the energy sector. What does that envision? Does that envision at some point easing PEMEX's stranglehold on that sector?

AMBASSADOR HILLS: Well, there already has been an agreement within this North American accord that eases up in the energy sector. I've mentioned several segments. Petrochemicals is by definition much more liberalized, which provides our chemical -- petrochemical companies much more opportunity. In the gas area we'll be able to sell gas into Mexico, having negotiated directly with our customer. In electricity we have opportunities that are expanded there, I think in a very meaningful way. And, of course, in procurement, when you talk about those who are sitting on rigs and various other equipments that haven't been used because of the down market, this offers a brand-new opportunity to get out there and compete and offer their technology, which is the best in the world.

Q The first is, you said there are 9,000 tariff items --

AMBASSADOR HILLS: Roughly, give or take a thousand or two.

Q The briefing sheet says that the tariffs on 50 percent of those will be eliminated immediately --

AMBASSADOR HILLS: Correct.

Q -- in 1994. Can you tell us what the distribution is among the other classes, what percent will be eliminated in five years, what percent in 10 and what percent in 15?

AMBASSADOR HILLS: Let me give you a rough estimate. About half immediately; about 15 percent more in five years. And then there are gradations that run out between six and 15 years. And as it has already been requested, if you have special interest in special sectors, I can give you that material immediately.

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Q My second question is this: Has your office or any government office -- this is a softball question, you're going to love it -- done any calculations or studies showing the benefit to consumers either in terms of lower prices or increased choice as a result of this agreement?

AMBASSADOR HILLS: There's no question that, as I mentioned, our market is relatively open. But every trade barrier you bring down you afford your consumer broader range of choices at a lower cost. But we become more competitive by being able to get our goods into Mexico. And I would point out, not only do we create jobs because we keep our factories humming, in getting those products in -- this year it will be \$44 billion to Mexico -- but also Mexico spends 70 cents of every trade dollar in this country, which, again, keeps our economy going.

Q Well, in three specific items, would you expect prices for clothing, foods or autos to be lower or higher as a result -- in the U.S. -- as a result of this agreement?

AMBASSADOR HILLS: On clothing, I think that there will be a reduction of prices. On food, we are a net exporter of food and Mexico is a net importer of food. But what we may be offering our consumers is the broader range of choices where there is not an overlap in seasonality. It means that if you want to get a cantaloupe a couple of months later than you can get one down at your Safeway this morning, that will be an opportunity afforded to you.

Q Ms. Hills, there has been great concern along the U.S.-Mexico border about the problem of infrastructure, not only environmentally but also the crush of transportation that we might see as trade increases. During your discussions with the negotiators on the trade pact, has there been concern discussed on that issue, and what seems to be the general feeling of how some of that could be resolved?

AMBASSADOR HILLS: There has been discussion about the problems at the border, which we acknowledge, and that caused the President -- President Bush and President Salinas to agree that there should be a master plan for the border, which they developed with public participation both at the design and the implementation stage. A real first for Mexico. But we held hearings in this country. It was just very ably participated in by William Reilly, Administrator of our Environmental Protection Agency. And we put together a plan that is very constructive.

Pursuant to that plan, President Salinas has allocated \$460 million over the next three years to treat with the issues that you address. And our administration has requested about \$240 million in this fiscal year. One of the things that we're going to have to do is to be more effective with Congress, because our request for sewage treatment plants at the border was cut back last go-around, and we're just going to have to explain how important that is to the environment and to the health of Americans in that region.

Q A follow-up on that question?

AMBASSADOR HILLS: Yes.

AMBASSADOR HILLS: No, I would not. My recommendation is that we have worked very hard to bring down taxes on trade so it would expand and provide greater and more vibrant commercial opportunity, which translates into jobs for our workers. We don't want to kill that effort by levying taxes on the trade and start that spiral all over again. And it would be a convenient excuse. Your favorite cause, whether it be the environment, somebody else's favorite cause, be it something else, it is bad economic policy in my view to earmark funds. In a democracy, we should debate our priorities and we should allocate funds out of general revenues.

But let me tell you -- there will be larger general revenues on both sides of the border as a result of this agreement, and therefore, I think we will be far better able to address the concerns that you address.

Q It seems awfully suspicious that you all finished these negotiations exactly -- prior to the Republican Convention that will take place precisely in Houston, a place that is very pro-free trade agreement. How would you respond to that accusation?

AMBASSADOR HILLS: I got a question this morning that suggested that many of the political advisors to the President were saying don't go for it, hold it up. And you're asking a question whether we speeded up the process as a result of politics. I can only tell you quite honestly, the President told me to get a good agreement, to get it as rapidly as possible so that we could harvest the gains, but not to leave the table until we had a good agreement. And this has been an intense period of time.

I think we have a good agreement, and I'm out to sell it to the American people. And I can tell you quite honestly there was no political timetable in this. And you don't handle a negotiation with a clock on the wall that really has any effect at all.

Q But would you not agree that the timing of this agreement may give credit to some of these allegations?

AMBASSADOR HILLS: No, I don't, because, you know, there's an election someplace, sometime in every country. You know, the Canadians have an election coming up, we have an election. If we had waited a little longer, Salinas has an election. You know, you just have to take your eyes off the political calendar. Trade is a bipartisan venture. We have worked very, very closely with Congress. I've had a meeting a day -- my staff and I have had a meeting a day with Congress since these negotiations were commenced. There is not one jot of this agreement that is not fully described to Congress, and I mean to continue the process.

Q A final softball, or a softball final question, please.

AMBASSADOR HILLS: I will hold on to my wallet.
(Laughter.)

Q You've said several times that you negotiated into the night. Would you describe the final spurt of negotiations leading up to when you signed it and how you signed it?

AMBASSADOR HILLS: Well, I suppose you could call it a spurt; at 2:00 a.m. I didn't feel very spurdy. It was all -- the atmospherics were good. The last several days we've been down to the very tough issues.

Q Which ones are these?

AMBASSADOR HILLS: Well, they stretch across. There are tough issues in each one of the sectors. Autos are difficult,

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agriculture is difficult, services are difficult, investment have difficult problems for various countries. And we simply had to get them all done in a manner that accompanied our objective, which was mutually agreed, to get the market open across the board so that we in this region could become more globally competitive. And that's what we've done.

Q Knowing what you know about this agreement and how it's going to affect the economies of all the countries, what would you advise a young person whose father or mother works in an auto plant in Flint, Michigan, or in a glass plant in West Virginia? Would you advise them to plan on following in their parents' footsteps or should they train for another career?

AMBASSADOR HILLS: Autos, I think, will have a greater opportunity by reason of reducing the barriers to a very large and growing market in the North American region. It would let the auto companies rationalize their production. And I have no doubt that the auto companies will be better off as a result of the agreement as well as auto parts manufacturers in all three countries.

Q Where will their plants be, though, Mrs. Hills? Isn't that what she's asking?

AMBASSADOR HILLS: The plants -- there will be plants in this country, and there will be collaborative production throughout the region. We want to tap the consumers that will number 100 million at the turn of the century, and we want to be able to supply this market. So I have no doubt that there is competitive opportunity in the auto industry and that that will provide good jobs.

In the glass industry I think we also have competitive opportunity. We tend to be super-competitive in the high technology glass up the spectrum, less so in the lower cost or what we call household glass. And if you're in the glass industry, I think it has quite a future in the upper technology regions.

Q Mrs. Hills, just a question. Could you explain for us why it's appropriate to have a 62.5 percent local content requirement for autos, but one for, say, computers that's probably going to be less than 50 percent? And on a second question, could you also tell us why the administration is able to estimate the number of jobs that will be gained under this agreement, but has so far been unwilling to tell us how many jobs will be lost to imports?

AMBASSADOR HILLS: Let me answer your second question first because it's general. When you say jobs lost to imports from Mexico, remember we have a one-way free trade agreement now with Mexico. Our average tariffs are below four percent. We do not have licensing that keeps their products out, so that you're going to have a minuscule effect immediately. We will reduce those tariffs, but in point of fact, I think that what we're doing is dismantling much higher barriers to the exports of our products.

On your rule of origin question, let me say that in every trade agreement we have multiple rules of origin. These are complex questions. And what we're trying to determine is how do we ensure that the product is made of the place, is of the place -- it is not just transshipped from a fourth country -- to try to secure the extra advantages that are afforded if you are manufactured in the North American region.

So for one product it may be a 50 percent rule because of the cost, labor and various calculations that determine how much of the region makes it a North American product. For another product it may be a different number.

Q Less than 50 percent, is that a North American product?

AMBASSADOR HILLS: Well, it's at 50 -- we worked with the computer industry. And as I recall it was less the value there that they wanted and more of one of the three component parts. And that we were able to negotiate. And that value is greater than the other two. But that was what was significant to them in terms of a North American product.

AMBASSADOR HILLS: One more question. Way in the back.

Q If you can -- I don't know if you've been thinking at all about GATT. But can you give us -- (laughter.) -- any kind of an update? And if you can't, at least tell us what you think this deal, the NAFTA agreement will have on the GATT negotiations?

AMBASSADOR HILLS: I hope that the fact it is very visible that the United States is a leader in trade liberalization that will generate trade, opening markets wherever we can, will energize the negotiations, the global negotiations that are so important with 108 countries. And so we continue to push for a successful conclusion of that agreement, which would be a fabulous backdrop to what we've been able to achieve in this region.

We have not raised one barrier to trade to the outside world. We are not a protectionist nation. We have simply lowered barriers to trade within the North American region. And we think that a successful outcome of the GATT talks would be a wonderful accomplishment. And we hope to be able to pull that off this year.

Thank you very much.

THE PRESS: Thank you.

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9:50 A.M. EDT