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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 14, 1989

REMARKS BY THE PRESIDENT
TO THE INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCECapital Hilton Hotel
Washington, D.C.

10:18 A.M. EST

THE PRESIDENT: Thank you all very, very much. Larry understands -- (laughter) -- but if I look a little frantic, our dog is expecting. (Laughter.) And if you think I look frantic, you ought to see the Silver Fox. (Laughter.) That's Barbara. (Applause.)

No, but I'm delighted to be here; appreciate that warm welcome, complete with a few scattered Texas flags in the audience. And it is an honor to be before this group.

In this city, the currency of status is measured in titles, honorifics -- senator, ambassador, secretary. But in my book, this group holds one of the most impressive titles of all -- entrepreneur. And I know that the hunger that you feel to own a firm of your own, start from scratch, build it, watch it grow. And I know the satisfaction of matching resources to needs and meeting deadlines and meeting payrolls.

A few years after World War II, when I got out of college, I moved out to west Texas, and a couple of years after that, the early '50s, started my own business. And it was a very small firm -- not too small to teach me the facts of economic life. But we got started by risk-taking; got the business education by helping others make that company grow. And our company was a high-risk venture. There was new technology that was unproven, full of half-starts and failures in that -- it was all called the off-shore drilling business.

And we took a gamble and we invested in new technology. And then we eventually succeeded in pioneering a new way to find America's energy. And it wasn't always easy, even in the years that the company did reasonably well. And I recall our despair one time -- and some of you in your business know what I'm talking about when you think of insurance -- when one of those hurricanes swept through the Gulf of Mexico and -- one-third of our company's assets were invested in a brand new drilling rig, with brand new technology -- a hurricane swept through the Gulf and I went out with our drilling engineer and rented a little Piper -- maybe it was a twin engine plane -- but anyway, in the aftermath of the hurricane, and looked and looked and looked. And the rig had totally vanished. People had

things is the private sector -- taking risks, competing, starting small businesses. And I hope I never forget the lessons that I learned as a small businessman.

I also appreciate this industry's role in society. Without insurance, the loss of spouse could mean the loss of a home. Without insurance the loss of a parent could keep a child from attending college. We cannot offer protection against fate, but we can prevent the compounding of a tragedy so that a death or an illness doesn't leave a bitter legacy of poverty or despair for a whole family. You prevent that kind of double tragedy, and you add a little bit of comfort to the grieving and predictability for those who are victims of the unpredictable. So this is your service to society. It's as crucial a service as that of any social welfare agency. And you cannot continue to perform it if your industry is hamstrung by excessive regulation. (Applause.)

And that's why we have worked to remove excessive regulations -- the job's not done -- to free the creative energies of small firms by ordering a review of more than 100 government regulations. The task force on regulatory relief, which I chaired as Vice President, saved the private sector more than 600 million man-hours of paperwork and billions of dollars in government compliance costs. And I want to work now to continue to work to free small business of the remaining excesses of regulation. (Applause.)

My philosophy is this; that when it comes to necessary regulation of business, I'm committed to letting the states take the lead, not the federal government. (Applause.) Reducing the regulatory burden is important. But we've got to take action on other fronts as well, if we're able to keep -- if we're going to do our part in keeping American small business strong.

And that's why I've also proposed a cut in the capital gains tax rate. Most of our major trading partners do not tax long-term capital gains. They understand that a high capital gains tax unnecessarily hurts our competitive position by drying up the formation of capital, business, and jobs.

In 1978, when the Congress cut the maximum tax rate on capital gains, the result was an explosion of new companies and new revenues. The critics were still out there, back in '78, saying if you do this, you're going to lose revenues; if you do this, it's an advantage for the rich. Didn't work out that way.

The Treasury estimates that the new cut that I am proposing will add \$4.8 billion to the revenue side in Fiscal Year 1990 alone. So let the critics carp. I am going to push for this idea that will stimulate jobs, risk-taking, capital formation. And it's good for the economy and it is not a special tax break for the rich. (Applause.)

Small businesses with less than 500 employees employ more than half of the U.S. workers. You understand this, but I don't believe many people in the United States understand it. So any onerous new burden on small business will also throw workers out of their jobs. And it's for that reason that I oppose this kind of mounting movement towards mandated employee benefits. (Applause.)

burdens.

And let me address one other area that concerns your business and that, perhaps, you in this room are much more sensitive to than others. And I'm talking about tort reform. Of course, there are many litigants who deserve a jury's sympathy -- we can start from that premise. But when local governments cannot install playgrounds, when businesses are bankrupted, when mothers struggle to find an obstetrician, when volunteer organizations -- boy scouts and girl scouts and others -- have to pull back for fear of excessive claims leveled against them, then it is time to consider limiting some of these outrageous settlements. (Applause.)

Tort reform is critical to the health of businesses and volunteer organizations alike. All of our policies are directed toward a single goal -- building a better America. And to achieve this goal, my plan has four broad objectives: attention to urgent priorities, an attack on the deficit, hold the line on taxes -- no new taxes -- and an investment in the future. And without a strong private sector, our nation would be mired in the past, doomed to fail.

The entrepreneur is the man or the woman who is not only ready for change but who relishes the thought of it. And this thought leads me to speak to you in more general terms now about my presidency, the challenges I hope to meet, the accomplishments that I hope we can make for our country.

I'm a man of this century. I fought in the century's greatest war and raised a family and built a business during the mid-century of America's greatness. But I want to be a President who is remembered for preparing our country for the next century. This is my entrepreneurial definition of leadership -- to see the shape of things to come and to prepare for that 21st century world only 11 years away. By the year 2000, we will have experienced change as swift and fast as a torrent. Change in the American family, in our work habits, change in technology and change in the world economy. Change in the rate of change itself.

The makeup of our remarkable nation has been evolving constantly. But the qualities on which it was founded are timeless and true. And one of those constants is that we are an entrepreneurial people, at our best when we are challenged and when we boldly face the future.

And so my agenda is this: to confront the emerging problems of the future today. A complacent society is doomed to comfortable decline. And we are not complacent. A dynamic society is one that keeps pace with the times. So call it that if you will -- a dynamic America. But recognize in the restless drive and vision of the American entrepreneur our best qualities as a nation.

A complacent nation would take comfort that America is free in a world at peace. But world events are moving too swiftly for us to relax in set ways and to cling to smug assumptions. The question we must answer is will American foreign policy be flexible enough to meet the emerging and potentially dramatic new world developments?

On economic policy, I've submitted to the Congress a budget that is fiscally responsible. This budget does four things: It substantially reduces the deficit, it includes no new taxes, it -- (applause) -- it addresses key priorities, and it still provides for important investments which will help make us more competitive in the future.

My speech to Congress, incidentally, was accompanied by 193 pages of specific recommendations for the budget. And looking back in the history books, if you will permit a comment about -- it might side a little bit prideful -- we found that no other president in recent history has presented quite so much information to Congress at such an early date.

And I've also submitted a proposal to solve a festering problem that threatens our future prosperity -- a plan to restore the integrity of our nation's savings and loan institutions. It's an enormous problem, and our plan has been well-received on both sides of the aisle on Capitol Hill. I've asked the Congress to take action within 45 days; challenged them, now that we've come up with the proposal, to move forward. This problem requires prompt and prudent action.

The changing nature of American society to more working parents is putting pressure on our most basic social institution. I'm talking about the family. How will we respond to this change? We simply cannot afford to create some massive new entitlement program. And that's why I am proposing a child care plan that combines tax credits and private sector resources to offer parents a choice. I want to empower parents, not government, to seek the best and safest environment for their children. And the underpinning of my plan is the family -- (applause) -- strength in the American family.

But many other areas of change. Homelessness affects a small proportion of Americans, but concerns us all. I drove here today or when you look out the window of the White House and see the ragged, pathetic figures huddled over the steam grates of the Ellipse, I see an affront to the American dream -- a national shame, if you will. And we must seek the root causes of and devise the most practical solutions for the homelessness.

The environment, once the concern of a far-sighted few, is now a top priority of my administration at home and abroad. You know, this isn't a conservative or a liberal question -- the question of the environment. I think of Teddy Roosevelt as one of the great conservationists, one of the great environmentalists. The time has come to lay aside partisan approach to these enormous environmental questions. We must devise a global approach to the problem of ozone depletion and global warming. We intend to make rapid progress on acid rain and see that a new clean air bill is produced. And we've already broken ground in joining with other nations to call for the elimination of the CFCs in adopting a tough new policy on the export of hazardous waste.

And there's drugs. The scourge of drug abuse will test our resolve and a mettle as a people. I'll bet you if I could talk

against drugs. And it's not easy. When you look at the complexity of the federal government and the number of the agencies that are involved in this question of antinarcotics, it is a massive executive coordinative job. And Bill Bennett will be superb as the first drug czar.

And finally, I want to single out one area which in so many ways is preeminently important to our nation. I am sure it is of particular importance to your family. We have got to protect and strengthen our schools. You and I know that education is our most enduring legacy. And you and I know that education is nothing less than the very heart and soul of our civilization. I want that control to remain with the families and the PTA and the local school boards and the states before the federal government when it comes to the control of our educational process, of our curriculum. And I will resist any effort to centralize all the answers for education here in Washington, D.C.

But, you know, education is this enduring legacy. And as we face a new decade and a new century, we also face a new challenge to revitalize and restore the system that our forebears bequeathed to us to ensure that American education is second to none. And I've made a number of proposals to work towards this goal, work with the states and the local to achieve that goal. Among them is my request to reward those schools whose students show measurable progress in educational achievement while maintaining a safe and drug-free environment.

I've also asked for an annual fund of \$100 million in new appropriations to help create magnet schools to broaden the educational choice of parents and students. And I've made many other proposals, including programs to strengthen the historically black colleges and universities, to reward our best teachers. And I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

I've laid out in broad terms, then, this agenda for building a better America. And, yes, it is ambitious, but it is no less ambitious, no less dynamic than the American people themselves. And as the businessmen and women, you can help me to fulfill this agenda, to meet the challenges that face our country. By working together, we can achieve absolutely anything. And so the problems seem big at times out there, but believe me, never underestimate the ability of the American people if we together set out sights on achieving certain goals.

I need your help. I'm delighted to be here, and thank you for inviting me. (Applause.)

END

10:41 A.M. EST

Davis/Dooley
March 9, 1989
noon

INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE
CAPITOL HILTON, MARCH 14, 1989

Thank you.

It is truly an honor to appear before this group. In this city, the currency of status is measured in titles and honorifics -- senator, ambassador, secretary. But in my book, you hold one of the most impressive titles of all -- that of entrepreneur.

I know the hunger you feel to own a firm of your own, to start from scratch, to build it and watch it grow. I know the satisfaction of matching resources to needs, of meeting deadlines and meeting payrolls.

A few years after World War Two, I started my own business. It was a small firm, but not too small to teach me the facts of economic life. I got my start by taking a risk; and I got my education by making that company grow.

Our company, Zapata Off-shore, remained a high-risk venture. There was a new technology, unproven, full of half-starts and failures, called off-shore drilling. We took a gamble, we invested in that technology and we succeeded in pioneering a new way to find America's energy. In 12 years, Zapata grew from a few employees to 425, from assets of \$1.5 million to \$15.8 million. It wasn't always easy, even in the years we did well. I recall our despair when a hurricane hit our brand new rig on its first location -- and it disappeared.

But I learned some very important lessons. When that rig went down, people lost their jobs. When we rebuilt, people went back to work. I saw the strain on the faces of family breadwinners, and I saw the joy.

So Washington may not always appreciate the role of small business in creating jobs and keeping America competitive. But rest assured, there is one person in Washington who does, and he is your President . . .

I ^{know} ~~have heard~~ that your industry is facing some controversy. I have ^{known} ~~also heard~~ that you are looking into ways to voluntarily tighten your standards, and I salute you for that. ~~But I do not understand how some can be so utterly blind to the~~ vital social

~~role of~~ our nation's insurance industry ^{play a vital social} role,

Without insurance, the loss of a spouse could mean the loss of a home. Without insurance, the loss of a parent could keep a child from attending college. We cannot offer protection against fate. But we can prevent the compounding of a tragedy, so that a death or an illness doesn't leave a bitter legacy of poverty and despair for a whole family.

You prevent that kind of double tragedy. You add a little bit of comfort to the grieving, a little predictability for those who are victims of the unpredictable.

This is your service to society. It is as ^{crucial} vital a service as that of any social welfare agency. And you cannot continue to perform it if your industry is hamstrung by excessive regulation, ~~or bled dry to fund the cause of the day.~~

Since we turned this economy around, two-thirds of the job creation has come from small businesses like yours. This is one reason America has created more new jobs in the 1980s than Japan and Western Europe combined.

Another reason for this remarkable expansion is the way in which we removed excessive regulations, freeing the creative energies of small firms. I take considerable pride in a job I did as Vice President ~~Chairman~~ of the Task Force on Regulatory Relief. By ordering a re-examination of more than 150 regulatory programs, the Task Force saved the private sector more than 300 million man hours of paperwork and billions of dollars in government compliance cost. I will continue to work to keep you free from excessive regulation.

And when it comes to necessary regulation, I am committed to letting the states take the lead -- not the federal government .

I will also propose a cut in the capital gains tax. This is a uniquely American tax. Japan doesn't have one. Nor does West Germany. A high capital gains tax unnecessarily hurts our competitive position by drying up the formation of capital, businesses and jobs. In 1978, when Congress cut the maximum tax rate on capital gains, the result was an explosion of new companies and new revenues. ~~Why would anyone be opposed to doing that again?~~

Small businesses -- those with less than 500 employees -- employ more than half of U.S. workers. So any onerous new burden on small business will also throw workers out of their jobs.

It is for this reason that I will resist the movement toward mandated benefits . . . In an era of tight budgets, there is always the temptation to drop the burden of social programs on the backs of employers. But ~~you and I know how~~ these benevolent programs ^{with the best of intentions} can have agonizing consequences.

It is up to business and labor to negotiate their differences. And make no mistake, I support the right of labor to negotiate as an equal. But mandated benefits serve neither business nor labor. Western Europe has gone down this road. And Western Europe has grappled with chronic high unemployment ever since . . . ~~Mandated benefits are great, but only for those who keep their jobs.~~

And let me address one other area that concerns your business -- tort reform. Generous juries put businesses out of business, and workers out of work. Excessive awards lead to excessive litigation, cripple our national spirit of innovation, and force an attitude of timidity. (Tort reform is critical to the health of businesses and volunteer organizations alike.)

balance - supporting local gov - large program / cultural

tone down

These are my stands on issues of immediate concern to you and your colleagues. My beliefs are not the result of a policy paper I read or a briefing from an advisor. They are the result of a lifetime of experience, a knowledge of business and a deep and sincere appreciation for the vitality of private enterprise.

Economic philosopher George Gilder describes the role of the entrepreneur in ringing words that sum up my experience. The entrepreneur, writes Gilder: ". . . inhabits a realm where the last becomes first, where supply creates demand, where belief precedes knowledge.

"It is a world where expertise may be a form of ignorance and the best possibilities spring from a consensus of impossibility.

"It is a world where service of others -- solving their problems and taking on new ones for yourself -- is the prime source of leadership and wealth . . .

"It is a world where unit losses can indeed be made up by volume, where low profit margins lead to the largest profits, and where giving is the rule of highest returns. A world rarely penetrated by any economist, it is yet the very center of all economic life."

Buff

And may I add, this is a world from which government can learn a lot.

The entrepreneur is the man or the woman who is not only ready for change, but who relishes the thought of it. And this thought leads me to speak to you in more general terms, about my presidency, the challenges I hope to meet, the accomplishments I hope to make.

I am a man of this century. I fought in the century's greatest war, and raised a family and built a business during the mid-century of American greatness.

But I want to be a President who is remembered for preparing America for the next century. This is my entrepreneurial definition of leadership, to see the shape of things to come, and to prepare for that 21st Century world -- only eleven years away.

By the year 2000, we will have experienced change as swift and fast as a torrent. Change in the American family, and in our work habits. Change in technology. Change in the world economy. Change in the rate of change itself.

This remarkable nation of ours is complex, even enigmatic. But there is one American quality that is timeless and true. We are an entrepreneurial people, at our best when we are challenged, when we boldly face the future.

So my agenda is this: to confront the emerging problems of the future today. A complacent society is doomed to comfortable decline. ~~A restless society is~~ dynamic, changing as fast as the times. ~~So call it that, the Restless Society.~~ Call it the Dynamic Society. Call it anything you like. But recognize in the restless drive and vision of the American entrepreneur our best qualities as a nation.

A complacent nation would take comfort that America is free and the world is at peace. But world events are moving too swiftly for us to relax in set ways, to cling to smug assumptions.

The balance of power in Europe, the rise of regional superpowers in Asia, the increasingly interdependent world economy, the proliferation of offensive technology, and the much-debated nature of reform in the Soviet Union -- these are the areas that will irrevocably alter the world. And these are not minor matters. Will American foreign policy be flexible enough to meet this emerging new world order?

With this question in mind, I have asked all the appropriate agencies to reassess our foreign policy and defense strategy. This comprehensive review will set the basis of my future actions, and guide America into the next decade, and toward the next century.

To the Congress

On economic policy, I have submitted ^{sent DOA.} the first presidential budget in many years that ~~Congress will work from.~~ I have also submitted a proposal to solve a festering problem that threatens our future prosperity -- a plan to restore the integrity of our nation's Savings and Loans institutions.

~~Of course, we could allow the deficit to grow and insolvent S & Ls to continue to languish. But passivity is not my style.~~
I want to work with Congress to start to solve this problems this year, the sooner the better.

The changing nature of the American family -- to one-parent families or to ^{working} two parents who work -- is putting pressure on our most basic social institution. ^{the family,} How will we respond to this change? We simply cannot afford to create another entitlement program. ~~Instead, we must use public policy to guide the creative resources of the private sector to lift this burden from working parents.~~

mention child care plan

I have proposed child-c. care, sube comm

There are many other areas of ~~brisk~~ change. Homelessness concerns a small proportion of Americans. But when I look out a White House window and see the ragged pathetic figures huddled over the steam grates of the Ellipse, I also see an affront to the American Dream. We must seek the root causes of, and devise the most practical solutions for, homelessness.

Ethics -- our most precious inheritance is our sense of honor, decency and fair play. ~~Corporations, universities and government at all levels must provide leadership by example.~~

The environment -- once the domain of ~~woolly~~ [?] activists, it is becoming ^a the ~~top~~ priority of pinstriped diplomats. We must devise a global approach to the problems of ozone depletion and world deforestation.

Finally, I want to single out one area which, in so many ways, is pre-eminently important to our nation. I am sure it is of particular importance to your family. We must protect, and strengthen, our schools.

You and I know that education is our most enduring legacy. You and I know that education is nothing less than the very heart and soul of our civilization. And that is why I am bound and determined to use the office of the Presidency as a bully pulpit for progress in our schools. ~~I will make a renewed push for a shift in some of our priorities to concentrate resources on those who need help the most.~~

This nation grew into greatness because early Americans understood the value of education. The one-room school house, the land-grant college -- these were the crowning achievements of the pioneers. No less important were the urban pioneers who schooled the children of the ghettos.

The challenge that faced our ancestors was not an easy one: to build a national educational system from scratch. But they did it with blood, sweat, tears and joy. They were dedicated individuals whose sacrifices have made our democracy, and its free market, possible.

As we face a new decade and a new century beyond, we also face a new challenge -- to revitalize and restore the system our forebears bequeathed to us; to ensure American education is second to none.

I have made a number of proposals to work toward this goal. Among them is my request to reward those schools whose students show measurable progress in educational achievement, while maintaining a safe and drug-free environment.

I have also asked for an annual fund of \$100 million in new appropriations to help create magnet schools to broaden the educational choices of parents and students. And I have made many other proposals, including programs to strengthen Historically Black Colleges and Universities, and to reward our best teachers.

~~During the coming weeks, I will transmit comprehensive legislation to the Congress concerning our proposals for cooperation in strengthening American education.~~

But Washington can only do so much. Leadership in education must come from the local level, from the P.T.A., the school board, parents, students . . . and from the local business community.

I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

I have spoken of many issues, but there is a common theme in them all -- service to America. At times, government and business must be divided by law and by custom, so that the first will not oppress the latter. At other times, the efforts of the public and private sectors must mesh as neatly as the innerworkings of a Swiss watch.

Business and government are very different realms, but their ultimate goal is the same -- to serve.

This is the purpose of my Presidency. This is our purpose as Americans: to serve our country, to prepare our children for their future. We can do no less.

Thank you.

#

I've laid out our ambitious agenda -

MASTER I

Document No. 015341

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/9/89 ACTION/CONCURRENCE/COMMENT DUE BY: 3/10/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: INDEPENDENT INSURANCE AGENTS OF AMERICA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT <i>out of Country</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please forward any comments to Chriss Winston, Rm. 122, x2930, by noon, Friday, March 10, 1989, with an info copy to my office. Thank you.

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Davis/Dooley
March 9, 1989
noon 50
1989 MAR -9

INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE
CAPITOL HILTON, MARCH 14, 1989

Thank you.

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I know the hunger you feel to own a firm of your own, to start from scratch, to build it and watch it grow. I know the satisfaction of matching resources to needs, of meeting deadlines and meeting payrolls.

A few years after World War Two, I started my own business. It was a small firm, ^(at first) but not too small to teach me the facts of economic life. I got my start by taking a risk; and I got my business education by making that company grow.

Our company was a high-risk venture. There was a new technology, unproven, full of half-starts and failures, called off-shore drilling. We took a gamble; we invested in that technology; and we succeeded in pioneering a new way to find America's energy. It wasn't always easy, even in the years we did well. I recall our despair when a hurricane hit our brand new rig on its first location -- and it disappeared.

But I learned some very important lessons. When that rig went down, people lost their jobs. When we rebuilt, people went back to work. I saw the strain on the faces of family breadwinners, and I saw the joy.

So Washington may not always appreciate the role of small business in creating jobs and keeping America competitive. But rest assured, there is ^(at least) one person in Washington who does, and he is your President . . .

?
I know that your industry is facing some controversy. I also know that you are looking into ways to voluntarily tighten your standards, and I salute you for that. After all, our nation's insurance industry plays a vital social role.

Without insurance, the loss of a spouse could mean the loss of a home. Without insurance, the loss of a parent could keep a child from attending college. We cannot offer protection against fate. But we can prevent the compounding of a tragedy, so that a death or an illness doesn't leave a bitter legacy of poverty and despair for a whole family.

You prevent that kind of double tragedy. You add a little bit of comfort to the grieving, ~~a little~~ ^{and} predictability for those who are victims of the unpredictable.

This is your service to society. It is as crucial a service as that of any social welfare agency. And you cannot continue to perform it if your industry is hamstrung by excessive regulation.

Since we turned this economy around, two-thirds of the ~~jobs~~ ^{new} creation ~~has~~ ^{ed have} come from small businesses like yours. This is one reason America has created more new jobs ~~in the 1980s~~ ^{since 1982} than Japan and Western Europe combined.

That's why we've worked to

~~Another reason for this remarkable expansion is the way in~~
~~which we removed~~ excessive regulations, ^{to} freeing the creative
 energies of small firms. By ordering a ^{review} re-examination of more ^{over a}
~~than 150~~ ^{hundred} ~~government~~ ^{regulations} regulatory programs, the Task Force on Regulatory
 Relief, which I chaired as Vice President, saved the private
 sector more than ⁶⁰⁰ ~~300~~ million man hours of paperwork and billions
 of dollars in government compliance cost. I will continue to
 work to keep you free from excessive regulation.

Porman

in your business

And when it comes to necessary regulation, I am committed to letting the states take the lead -- not the federal government. *(Bates)*

~~Reducing~~ ^{the} regulatory burden on small business *is important but we must take action on other fronts as well.*

I will also propose ^{have} a cut in the capital gains tax ^{rate}. This is ^{our tax on} ~~is~~ ^{capital gains}
~~a uniquely American tax~~, since most of our ^{Abne} trading partners ^{major} do ^{fully}
~~not tax long-term capital gains.~~ ^{They understood that} A high capital gains tax
 unnecessarily hurts our competitive position by drying up the
 formation of capital, businesses and jobs. In 1978, when
 Congress cut the maximum tax rate on capital gains, the result
 was an explosion of new companies and new revenues.

Small businesses ~~are~~ ^{those} with less than 500 employees ~~are~~ *(Bates)*
 employ more than half of U.S. workers. So any onerous new burden
 on small business will also throw workers out of their jobs.

(Balt)

It is for this reason that I ~~will resist~~ ^{oppose} the movement toward mandated ~~benefits~~ ^{employee} . . . In an era of tight budgets, there is always the temptation to drop the burden of social programs on the backs of employers. But these ^{Policies} programs, born of the best intentions, can have ~~agonizing~~ ^{unintended and counterproductive} consequences.

It is up to business and labor to negotiate their differences. And make no mistake, I support the right of labor to negotiate as an equal. But mandated benefits serve neither business nor labor. ~~Western Europe has gone down this road. And Western Europe has grappled with chronic high unemployment ever since.~~ ^{insert A (Pinkerton)}

And let me address one other area that concerns your business -- tort reform. Of course, there are many litigants who deserve a jury's sympathy. But when local governments cannot install playgrounds, when businesses are bankrupted, ^{when mothers struggle to find an obstetrician} when volunteer organizations have to pull back, then it is time to consider limiting damages. Tort reform is critical to the health of businesses and volunteer organizations alike.

All of my policies are ~~centered around a single goal~~ ^{directed toward a single goal} -- to ~~to preserve the peace through a strong America,~~ ^{to} ~~protect the engine of our prosperity and prepare our nation for the future.~~ ^{to} Without a strong private sector, our nation would be mired in the past, doomed to fail. ^{these four} ^{single goal: building a better America.}

~~and no new taxes.~~

To achieve this goal, my Plan has four broad objectives -- attention to urgent priorities, ~~was~~ an attack on the deficit, ~~the deficit~~

The entrepreneur is the man or the woman who is not only ready for change, but who relishes the thought of it. And this thought leads me to speak to you in more general terms, about my presidency, the challenges I hope to meet, the accomplishments I hope to make.

I am a man of this century. I fought in the ¹⁵ century's greatest war, and raised a family and built a business during the mid-century of American greatness.

But I want to be a President who is remembered for preparing America for the next century. This is my entrepreneurial definition of leadership, to see the shape of things to come, and to prepare for that 21st Century world -- only eleven years away.

By the year 2000, we will have experienced change as swift and fast as a torrent. Change in the American family, and in our work habits. Change in technology. Change in the world economy. Change in the rate of change itself.

This remarkable nation of ours is complex, even enigmatic. But there is one American quality that is timeless and true. We are an entrepreneurial people, at our best when we are challenged, ^{and} when we boldly face the future.

So my agenda is this: to confront the emerging problems of the future today. A complacent society is doomed to comfortable decline. A dynamic society is one that keeps pace with the times. ^{Stet} So ~~call it that, if you will -- the Dynamic Society.~~ ^{AMERICA.} But recognize in the restless drive and vision of the American entrepreneur our best qualities as a nation.

A complacent nation would take comfort that America is free and the world is at peace. But world events are moving too swiftly for us to relax in set ways, to cling to smug assumptions.

The balance of power in Europe, the rise of regional superpowers in Asia, the increasingly interdependent world economy, the proliferation of offensive technology, and the much-debated nature of reform in the Soviet Union -- these are the areas that will irrevocably alter the world. ~~And these are not minor matters.~~ Will American foreign policy be flexible enough to meet this emerging new world order?

The question we must answer is:

With this question in mind, I have asked all the appropriate agencies to reassess our foreign policy and defense strategy. This comprehensive review will set the basis of my future actions, and guide America into the next decade, and toward the next century.

On economic policy, I have submitted to the Congress the first presidential budget in many years that isn't ^{fiscally responsible} "Dead-On-Arrival." ^{and addresses key priorities that need immediate attention.} I have also submitted a proposal to solve a festering problem that threatens our future prosperity -- a plan to restore the integrity of our nation's Savings and Loans institutions. I ^{have asked the} ~~want to work with~~ Congress ^{take action within 45 days.} ~~to start to solve this problems this~~ ^{This problem is too important to delay.} ~~year, the sooner the better.~~

^{Damon} The changing nature of American society -- to ~~one-parent~~ ^{more} ~~families or to two~~ working parents -- is putting pressure on our most basic social institution -- the family. How will we respond to this change? We simply cannot afford to create another entitlement program. That is why I am proposing a child-care plan that combines tax credits and private-sector resources to offer parents a choice. I want to empower parents, not government, to seek the best and the safest environment for their children.

✓ ^{stet} There are many other areas of change. ^{stet} ~~Homelessness concerns~~ ^{but concerns all of us.} ~~a small proportion of Americans.~~ ^{affects} But when I look out a White House window and see the ragged pathetic figures huddled over the steam grates of the Ellipse, I also see an affront to the American Dream. We must seek the root causes of, and devise the most practical solutions for, homelessness.

The environment -- once the ~~domain of activists~~, it is *now* ~~becoming a top priority of pinstriped diplomats.~~ *concern of a farsighted few,* *(my Administration at home and abroad)* We must devise a global approach to the problems of ozone depletion and world deforestation.

Finally, I want to single out one area which, in so many ways, is pre-eminently important to our nation. I am sure it is of particular importance to your family. We must protect, and strengthen, our schools.

You and I know that education is our most enduring legacy. You and I know that education is nothing less than the very heart and soul of our civilization.

As we face a new decade and a new century beyond, we also face a new challenge -- to revitalize and restore the system our forebears bequeathed to us; to ensure American education is second to none.

I have made a number of proposals to work toward this goal. Among them is my request to reward those schools whose students show measurable progress in educational achievement, while maintaining a safe and drug-free environment.

I have also asked for an annual fund of \$100 million in new appropriations to help create magnet schools to broaden the educational choices of parents and students. And I have made many other proposals, including programs to strengthen Historically Black Colleges and Universities, and to reward our best teachers.

I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

~~Building a Better America~~
I've laid out my agenda for you. True, it is an ambitious one. But it is no less ambitious, no less dynamic, than the American people. As businessmen and women, you can help me to fulfill this agenda, to meet the challenges that face our country. By working together, we can achieve anything.

Thank you.

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Davis/Dooley
March 9, 1989
noon

REMARKS: INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE
MARCH 14, 1989

Thank you.

It is truly an honor to appear before this group. In this city, the currency of status is measured in titles and honorifics -- Senator, Ambassador, Secretary. But in my book, you hold one of the most impressive titles of all -- that of entrepreneur.

I know the hunger you feel to own a firm of your own, to start from scratch, to build it and watch it grow. I know the satisfaction of matching resources to needs, of meeting deadlines and meeting payrolls.

A few years after World War Two, I started my own business. It was a small firm at first, but not too small to teach me the facts of economic life. I got my start by taking a risk; and I got my business education by making that company grow.

Our company was a high-risk venture. There was a new technology, unproven, full of half-starts and failures, called

off-shore drilling. We took a gamble; we invested in that technology; and we succeeded in pioneering a new way to find America's energy. It wasn't always easy, even in the years we did well. I recall our despair when a hurricane hit our brand new rig on its first location -- and it disappeared.

But I learned some very important lessons. When that rig went down, people lost their jobs. When we rebuilt, people went back to work. I saw the strain on the faces of family breadwinners, and I saw the joy.

So Washington may not always appreciate the role of small business in creating jobs and keeping America competitive. But rest assured, there is at least one person in Washington who does, and he is your President . . .

I also appreciate your industry's role in society. Without insurance, the loss of a spouse could mean the loss of a home. Without insurance, the loss of a parent could keep a child from attending college. We cannot offer protection against fate. But we can prevent the compounding of a tragedy, so that a death or an illness doesn't leave a bitter legacy of poverty and despair for a whole family.

You prevent that kind of double tragedy. You add a little bit of comfort to the grieving, and predictability for those who are victims of the unpredictable.

This is your service to society. It is as crucial a service as that of any social welfare agency. And you cannot continue to perform it if your industry is hamstrung by excessive regulation.

That's why we worked to remove excessive regulations, to free the creative energies of small firms. By ordering a review of more than 100 government regulations, the Task Force on Regulatory Relief, which I chaired as Vice President, saved the private sector more than 600 million man hours of paperwork and billions of dollars in government compliance cost. I will continue to work to keep you free from excessive regulation.

And when it comes to necessary regulation of your business, I am committed to letting the states take the lead -- not the federal government. Reducing the regulatory burden is important, but we must take action on other fronts as well if we are to keep American small business strong.

This is why I have also proposed a cut in the capital gains tax rate. Most of our major trading partners do not tax long-term capital gains. They understand that a high capital gains tax unnecessarily hurts our competitive position by drying up the

formation of capital, businesses and jobs. In 1978, when Congress cut the maximum tax rate on capital gains, the result was an explosion of new companies and new revenues.

Small businesses with less than 500 employees employ more than half of U.S. workers. So any onerous new burden on small business will also throw workers out of their jobs.

It is for this reason that I oppose the movement toward mandated employee benefits . . . In an era of tight budgets, there is always the temptation to drop the burden of social programs on the backs of employers. But these policies, born of the best intentions, can have unintended and counterproductive consequences.

It is up to business and labor to negotiate their differences. And make no mistake, I support the right of labor to negotiate as an equal. But mandated benefits serve neither business nor labor. We have seen what happens in other countries where mandated benefit programs create obstacles to productivity and growth. We cannot build a better America if we weigh down our production sector with new burdens.

And let me address one other area that concerns your business -- tort reform. Of course, there are many litigants who deserve a jury's sympathy. But when local governments cannot

install playgrounds, when businesses are bankrupted, when mothers struggle to find an obstetrician, when volunteer organizations have to pull back, then it is time to consider limiting damages. Tort reform is critical to the health of businesses and volunteer organizations alike.

All of my policies are directed toward a single goal: building a better America. To achieve this goal, my plan has four broad objectives -- attention to urgent priorities, an attack on the deficit, no new taxes, and an investment in the future.

Without a strong private sector, our nation would be mired in the past, doomed to fail. The entrepreneur is the man or the woman who is not only ready for change, but who relishes the thought of it. And this thought leads me to speak to you in more general terms, about my presidency, the challenges I hope to meet, the accomplishments I hope to make.

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So my agenda is this: to confront the emerging problems of the future, today. A complacent society is doomed to comfortable decline. A dynamic society is one that keeps pace with the times. So call it that, if you will -- a Dynamic America. But recognize in the restless drive and vision of the American entrepreneur our best qualities as a nation.

A complacent nation would take comfort that America is free and the world is at peace. But world events are moving too swiftly for us to relax in set ways, to cling to smug assumptions. The question we must answer is: Will American foreign policy be flexible enough to meet the emerging new world order?

With this question in mind, I have asked all the appropriate agencies to reassess our foreign policy and defense strategy. This comprehensive review will set the basis of my future actions, and guide America into the next decade, and toward the next century.

On economic policy, I have submitted to the Congress the first presidential budget in many years that is fiscally responsible and addresses key priorities that need immediate attention. I have also submitted a proposal to solve a festering problem that threatens our future prosperity -- a plan to restore the integrity of our nation's Savings and Loan institutions. I have asked the Congress to take action within 45 days. This problem is too important to delay.

The changing nature of American society -- to more working parents -- is putting pressure on our most basic social institution -- the family. How will we respond to this change? We simply cannot afford to create another entitlement program. That is why I am proposing a child-care plan that combines tax credits and private-sector resources to offer parents a choice. I want to empower parents, not government, to seek the best and the safest environment for their children.

There are many other areas of change. Homelessness affects a small proportion of Americans, but concerns all of us. But when I look out a White House window and see the ragged pathetic figures huddled over the steam grates of the Ellipse, I also see an affront to the American Dream. We must seek the root causes of, and devise the most practical solutions for, homelessness.

The environment -- once the concern of a farsighted few, is now a top priority of my Administration at home and abroad. We must devise a global approach to the problems of ozone depletion and world deforestation.

Finally, I want to single out one area which, in so many ways, is pre-eminently important to our nation. I am sure it is of particular importance to your family. We must protect, and strengthen, our schools.

You and I know that education is our most enduring legacy. You and I know that education is nothing less than the very heart and soul of our civilization.

As we face a new decade and a new century beyond, we also face a new challenge -- to revitalize and restore the system our forebears bequeathed to us; to ensure American education is second to none.

I have made a number of proposals to work toward this goal. Among them is my request to reward those schools whose students show measurable progress in educational achievement, while maintaining a safe and drug-free environment.

I have also asked for an annual fund of \$100 million in new appropriations to help create magnet schools to broaden the educational choices of parents and students. And I have made many other proposals, including programs to strengthen Historically Black Colleges and Universities, and to reward our best teachers.

I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

I've laid out my agenda for building a better America. True, it is an ambitious one. But it is no less ambitious, no less dynamic, than the American people. As businessmen and women, you can help me to fulfill this agenda, to meet the challenges that face our country. By working together, we can achieve anything.

Thank you.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/9/89 ACTION/CONCURRENCE/COMMENT DUE BY: 3/10/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: INDEPENDENT INSURANCE AGENTS OF AMERICA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please forward any comments to Chriss Winston, Rm. 122, x2930, by noon, Friday, March 10, 1989, with an info copy to my office. Thank you.

OK

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Davis/Dooley
March 9, 1989
1989 MAR - 9
noon 50

INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE
CAPITOL HILTON, MARCH 14, 1989

Thank you.

It is truly an honor to appear before this group. In this city, the currency of status is measured in titles and honorifics -- senator, ambassador, secretary. But in my book, you hold one of the most impressive titles of all -- that of entrepreneur.

I know the hunger you feel to own a firm of your own, to start from scratch, to build it and watch it grow. I know the satisfaction of matching resources to needs, of meeting deadlines and meeting payrolls.

A few years after World War Two, I started my own business. It was a small firm, but not too small to teach me the facts of economic life. I got my start by taking a risk; and I got my education by making that company grow.

Our company was a high-risk venture. There was a new technology, unproven, full of half-starts and failures, called off-shore drilling. We took a gamble; we invested in that technology; and we succeeded in pioneering a new way to find America's energy. It wasn't always easy, even in the years we did well. I recall our despair when a hurricane hit our brand new rig on its first location -- and it disappeared.

But I learned some very important lessons. When that rig went down, people lost their jobs. When we rebuilt, people went back to work. I saw the strain on the faces of family breadwinners, and I saw the joy.

So Washington may not always appreciate the role of small business in creating jobs and keeping America competitive. But rest assured, there is one person in Washington who does, and he is your President . . .

I know that your industry is facing some controversy. I also know that you are looking into ways to voluntarily tighten your standards, and I salute you for that. After all, our nation's insurance industry plays a vital social role.

Without insurance, the loss of a spouse could mean the loss of a home. Without insurance, the loss of a parent could keep a child from attending college. We cannot offer protection against fate. But we can prevent the compounding of a tragedy, so that a death or an illness doesn't leave a bitter legacy of poverty and despair for a whole family.

You prevent that kind of double tragedy. You add a little bit of comfort to the grieving, a little predictability for those who are victims of the unpredictable.

This is your service to society. It is as crucial a service as that of any social welfare agency. And you cannot continue to perform it if your industry is hamstrung by excessive regulation.

Since we turned this economy around, two-thirds of the job creation has come from small businesses like yours. This is one reason America has created more new jobs in the 1980s than Japan and Western Europe combined.

Another reason for this remarkable expansion is the way in which we removed excessive regulations, freeing the creative energies of small firms. By ordering a re-examination of more than 150 regulatory programs, the Task Force on Regulatory Relief, which I chaired as Vice President, saved the private sector more than 300 million man hours of paperwork and billions of dollars in government compliance cost. I will continue to work to keep you free from excessive regulation.

And when it comes to necessary regulation, I am committed to letting the states take the lead -- not the federal government .

. . .

I will also propose a cut in the capital gains tax. This is a uniquely American tax, since most of our trading partners do not tax long-term capital gains. A high capital gains tax unnecessarily hurts our competitive position by drying up the formation of capital, businesses and jobs. In 1978, when Congress cut the maximum tax rate on capital gains, the result was an explosion of new companies and new revenues.

Small businesses -- those with less than 500 employees -- employ more than half of U.S. workers. So any onerous new burden on small business will also throw workers out of their jobs.

It is for this reason that I will resist the movement toward mandated benefits . . . In an era of tight budgets, there is always the temptation to drop the burden of social programs on the backs of employers. But these programs, born of the best intentions, can have agonizing consequences.

It is up to business and labor to negotiate their differences. And make no mistake, I support the right of labor to negotiate as an equal. But mandated benefits serve neither business nor labor. Western Europe has gone down this road. And Western Europe has grappled with chronic high unemployment ever since.

And let me address one other area that concerns your business -- tort reform. Of course, there are many litigants who deserve a jury's sympathy. But when local governments cannot install playgrounds, when businesses are bankrupted, when volunteer organization have to pull back, then it is time to consider limiting damages. Tort reform is critical to the health of businesses and volunteer organizations alike.

All of my policies are centered around a single goal -- to protect the engine of our prosperity and prepare our nation for the future. Without a strong private sector, our nation would be mired in the past, doomed to fail.

The entrepreneur is the man or the woman who is not only ready for change, but who relishes the thought of it. And this thought leads me to speak to you in more general terms, about my presidency, the challenges I hope to meet, the accomplishments I hope to make.

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I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

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Thank you.

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SUBJECT: PRESIDENTIAL REMARKS: INDEPENDENT INSURANCE AGENTS OF AMERICA

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FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please forward any comments to Chriss Winston, Rm. 122, x2930, by noon, Friday, March 10, 1989, with an info copy to my office. Thank you.

RESPONSE: TO: CHRISS WINSTON March 8, 1989

The NSC concurs with the attached with the following recommended change. The suggested list of areas of concern that will "alter the world" on page 7 is both incomplete and misleading. We suggest combining the second and third paragraphs, ending that new paragraph with "The question for us is. . .order?"

Brent Scowcroft
Brent Scowcroft

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

cc: Jim Cicconi

Davis/Dooley
March 9, 1989
1989 MAR -9
pp. 50

INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE
CAPITOL HILTON, MARCH 14, 1989

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And when it comes to necessary regulation, I am committed to letting the states take the lead -- not the federal government .

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But I want to be a President who is remembered for preparing America for the next century. This is my entrepreneurial definition of leadership, to see the shape of things to come, and to prepare for that 21st Century world -- only eleven years away.

By the year 2000, we will have experienced change as swift and fast as a torrent. Change in the American family, and in our work habits. Change in technology. Change in the world economy. Change in the rate of change itself.

This remarkable nation of ours is complex, even enigmatic. But there is one American quality that is timeless and true. We are an entrepreneurial people, at our best when we are challenged, when we boldly face the future.

So my agenda is this: to confront the emerging problems of the future today. A complacent society is doomed to comfortable decline. A dynamic society is one that keeps pace with the times. So call it that, if you will -- the Dynamic Society. But recognize in the restless drive and vision of the American entrepreneur our best qualities as a nation.

A complacent nation would take comfort that America is free and the world is at peace. But world events are moving too swiftly for us to relax in set ways, to cling to smug assumptions.

~~The balance of power in Europe, the rise of regional superpowers in Asia, the increasingly interdependent world economy, the proliferation of offensive ^{weapons} technology, and the much-debated nature of reform in the Soviet Union -- these are the areas that will irrevocably alter the world. And these are not minor matters.~~ ^{where potential change may have a global impact -} ^{The question for us is:} Will American foreign policy be flexible enough to meet this emerging new world order?

With this question in mind, I have asked all the appropriate agencies to reassess our foreign policy and defense strategy. This comprehensive review will set the basis of my future actions, and guide America into the next decade, and toward the next century.

On economic policy, I have submitted to the Congress the first presidential budget in many years that isn't "Dead-On-Arrival." I have also submitted a proposal to solve a festering problem that threatens our future prosperity -- a plan to restore the integrity of our nation's Savings and Loans institutions. I want to work with Congress to start to solve these problems this year, the sooner the better.

The changing nature of American society -- to one-parent families or to two working parents -- is putting pressure on our most basic social institution -- the family. How will we respond to this change? We simply cannot afford to create another entitlement program. That is why I am proposing a child-care plan that combines tax credits and private-sector resources to offer parents a choice. I want to empower parents, not government, to seek the best and the safest environment for their children.

There are many other areas of change. Homelessness concerns a small proportion of Americans. But when I look out a White House window and see the ragged pathetic figures huddled over the steam grates of the Ellipse, I also see an affront to the American Dream. We must seek the root causes of, and devise the most practical solutions for, homelessness.

The environment -- once the domain of activists, it is becoming a top priority of pinstriped diplomats. We must devise a global approach to the problems of ozone depletion and world deforestation.

Finally, I want to single out one area which, in so many ways, is pre-eminently important to our nation. I am sure it is of particular importance to your family. We must protect, and strengthen, our schools.

You and I know that education is our most enduring legacy. You and I know that education is nothing less than the very heart and soul of our civilization.

As we face a new decade and a new century beyond, we also face a new challenge -- to revitalize and restore the system our forebears bequeathed to us; to ensure American education is second to none.

I have made a number of proposals to work toward this goal. Among them is my request to reward those schools whose students show measurable progress in educational achievement, while maintaining a safe and drug-free environment.

I have also asked for an annual fund of \$100 million in new appropriations to help create magnet schools to broaden the educational choices of parents and students. And I have made many other proposals, including programs to strengthen Historically Black Colleges and Universities, and to reward our best teachers.

I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

I've laid out my agenda for you. True, it is an ambitious one. But it is no less ambitious, no less dynamic, than the American people. As businessmen and women, you can help me to fulfill this agenda, to meet the challenges that face our country. By working together, we can achieve anything.

Thank you.

#



March 10, 1989

MEMORANDUM FOR JIM CICCONI

FROM; DENISE SCHWARZ
OFFICE OF CABINET AFFAIRS

SUBJECT; PRESIDENTIAL REMARKS; INDEPENDENT INSURANCE
AGENTS OF AMERICA
LOG #015341

We have reviewed the attached and have noted the comments on the attached.

Attachment

cc: Chriss Winston

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/9/89 ACTION/CONCURRENCE/COMMENT DUE BY: 3/10/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: INDEPENDENT INSURANCE AGENTS OF AMERICA

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please forward any comments to Chriss Winston, Rm. 122, x2930, by noon, Friday, March 10, 1989, with an info copy to my office. Thank you.

RESPONSE:

~~No Comment~~
~~Shelley~~
~~D.G. Bates~~

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Davis/Dooley
March 9, 1989
1989 MAR - 9
noon 50

INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE
CAPITOL HILTON, MARCH 14, 1989

Thank you.

It is truly an honor to appear before this group. In this city, the currency of status is measured in titles and honorifics -- senator, ambassador, secretary. But in my book, you hold one of the most impressive titles of all -- that of entrepreneur.

I know the hunger you feel to own a firm of your own, to start from scratch, to build it and watch it grow. I know the satisfaction of matching resources to needs, of meeting deadlines and meeting payrolls.

A few years after World War Two, I started my own business. It was a small firm, but not too small to teach me the facts of economic life. I got my start by taking a risk; and I got my education by making that company grow.

Our company was a high-risk venture. There was a new technology, unproven, full of half-starts and failures, called off-shore drilling. We took a gamble; we invested in that technology; and we succeeded in pioneering a new way to find America's energy. It wasn't always easy, even in the years we did well. I recall our despair when a hurricane hit our brand new rig on its first location -- and it disappeared.

But I learned some very important lessons. When that rig went down, people lost their jobs. When we rebuilt, people went back to work. I saw the strain on the faces of family breadwinners, and I saw the joy.

So Washington may not always appreciate the role of small business in creating jobs and keeping America competitive. But rest assured, there is one person in Washington who does, and he is your President . . .

I know that your industry is facing some controversy. I also know that you are looking into ways to voluntarily tighten your standards, and I salute you for that. After all, our nation's insurance industry plays a vital social role.

Without insurance, the loss of a spouse could mean the loss of a home. Without insurance, the loss of a parent could keep a child from attending college. We cannot offer protection against fate. But we can prevent the compounding of a tragedy, so that a death or an illness doesn't leave a bitter legacy of poverty and despair for a whole family.

You prevent that kind of double tragedy. You add a little bit of comfort to the grieving, a little predictability for those who are victims of the unpredictable.

This is your service to society. It is as crucial a service as that of any social welfare agency. And you cannot continue to perform it if your industry is hamstrung by excessive regulation.

Since we turned this economy around, two-thirds of the job creation has come from small businesses like yours. This is one reason America has created more new jobs in the 1980s than Japan and Western Europe combined.

Another reason for this remarkable expansion is the way in which we removed excessive regulations, freeing the creative energies of small firms. By ordering a re-examination of more than 150 regulatory programs, the Task Force on Regulatory Relief, which I chaired as Vice President, saved the private sector more than 300 million man hours of paperwork and billions of dollars in government compliance cost. I will continue to work to keep you free from excessive regulation.

And when it comes to necessary regulation, I am committed to letting the states take the lead -- not the federal government . . .

I will also propose a cut in the capital gains tax. This is a uniquely American tax, since most of our trading partners do not tax long-term capital gains. A high capital gains tax unnecessarily hurts our competitive position by drying up the formation of capital, businesses and jobs. In 1978, when Congress cut the maximum tax rate on capital gains, the result was an explosion of new companies and new revenues.

Small businesses ~~there~~ with less than 500 employees ~~are~~ employ more than half of U.S. workers. So any onerous new burden on small business will also throw workers out of their jobs.

It is for this reason that I will resist the movement toward mandated benefits . . . In an era of tight budgets, there is always the temptation to drop the burden of social programs on the backs of employers. But these programs, born of the best intentions, can have agonizing consequences.

It is up to business and labor to negotiate their differences. And make no mistake, I support the right of labor to negotiate as an equal. But mandated benefits serve neither business nor labor. Western Europe has gone down this road. And Western Europe has grappled with chronic high unemployment ever since.

And let me address one other area that concerns your business -- tort reform. Of course, there are many litigants who deserve a jury's sympathy. But when local governments cannot install playgrounds, when businesses are bankrupted, when volunteer organization have to pull back, then it is time to consider limiting damages. Tort reform is critical to the health of businesses and volunteer organizations alike.

All of my policies are centered around a single goal -- to protect the engine of our prosperity and prepare our nation for the future. Without a strong private sector, our nation would be mired in the past, doomed to fail.

The entrepreneur is the man or the woman who is not only ready for change, but who relishes the thought of it. And this thought leads me to speak to you in more general terms, about my presidency, the challenges I hope to meet, the accomplishments I hope to make.

I am a man of this century. I fought in the century's greatest war, and raised a family and built a business during the mid-century of American greatness.

But I want to be a President who is remembered for preparing America for the next century. This is my entrepreneurial definition of leadership, to see the shape of things to come, and to prepare for that 21st Century world -- only eleven years away.

By the year 2000, we will have experienced change as swift and fast as a torrent. Change in the American family, and in our work habits. Change in technology. Change in the world economy. Change in the rate of change itself.

This remarkable nation of ours is complex, even enigmatic. But there is one American quality that is timeless and true. We are an entrepreneurial people, at our best when we are challenged, when we boldly face the future.

So my agenda is this: to confront the emerging problems of the future today. A complacent society is doomed to comfortable decline. A dynamic society is one that keeps pace with the times. So call it that, if you will -- the Dynamic Society. But recognize in the restless drive and vision of the American entrepreneur our best qualities as a nation.

A complacent nation would take comfort that America is free and the world is at peace. But world events are moving too swiftly for us to relax in set ways, to cling to smug assumptions.

The balance of power in Europe, the rise of regional superpowers in Asia, the increasingly interdependent world economy, the proliferation of offensive technology, and the much-debated nature of reform in the Soviet Union -- these are the areas that will irrevocably alter the world. And these are not minor matters. Will American foreign policy be flexible enough to meet this emerging new world order?

With this question in mind, I have asked all the appropriate agencies to reassess our foreign policy and defense strategy. This comprehensive review will set the basis of my future actions, and guide America into the next decade, and toward the next century.

On economic policy, I have submitted to the Congress the first presidential budget in many years that isn't "Dead-On-Arrival." I have also submitted a proposal to solve a festering problem that threatens our future prosperity -- a plan to restore the integrity of our nation's Savings and Loans institutions. I want to work with Congress to start to solve these problems this year, the sooner the better.

The changing nature of American society -- to one-parent families or to two working parents -- is putting pressure on our most basic social institution -- the family. How will we respond to this change? We simply cannot afford to create another entitlement program. That is why I am proposing a child-care plan that combines tax credits and private-sector resources to offer parents a choice. I want to empower parents, not government, to seek the best and the safest environment for their children.

There are many other areas of change. Homelessness concerns a small proportion of Americans. But when I look out a White House window and see the ragged pathetic figures huddled over the steam grates of the Ellipse, I also see an affront to the American Dream. We must seek the root causes of, and devise the most practical solutions for, homelessness.

The environment -- once the domain of activists, it is becoming a top priority of pinstriped diplomats. We must devise a global approach to the problems of ozone depletion and world deforestation.

Finally, I want to single out one area which, in so many ways, is pre-eminently important to our nation. I am sure it is of particular importance to your family. We must protect, and strengthen, our schools.

You and I know that education is our most enduring legacy. You and I know that education is nothing less than the very heart and soul of our civilization.

As we face a new decade and a new century beyond, we also face a new challenge -- to revitalize and restore the system our forebears bequeathed to us; to ensure American education is second to none.

I have made a number of proposals to work toward this goal. Among them is my request to reward those schools whose students show measurable progress in educational achievement, while maintaining a safe and drug-free environment.

I have also asked for an annual fund of \$100 million in new appropriations to help create magnet schools to broaden the educational choices of parents and students. And I have made many other proposals, including programs to strengthen Historically Black Colleges and Universities, and to reward our best teachers.

I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

I've laid out my agenda for you. True, it is an ambitious one. But it is no less ambitious, no less dynamic, than the American people. As businessmen and women, you can help me to fulfill this agenda, to meet the challenges that face our country. By working together, we can achieve anything.

Thank you.

#

Davis/Dooley
March 11, 1989
1:00 p.m.

REMARKS: INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE
MARCH 14, 1989

Thank you.

It is truly an honor to appear before this group. In this city, the currency of status is measured in titles and honorifics -- Senator, Ambassador, Secretary. But in my book, you hold one of the most impressive titles of all -- that of entrepreneur.

I know the hunger you feel to own a firm of your own, to start from scratch, to build it and watch it grow. I know the satisfaction of matching resources to needs, of meeting deadlines and meeting payrolls.

A few years after World War Two, I started my own business. It was a small firm at first, but not too small to teach me the facts of economic life. I got my start by taking a risk; and I got my business education by making that company grow.

Our company was a high-risk venture. There was a new technology, unproven, full of half-starts and failures, called

off-shore drilling. We took a gamble; we invested in that technology; and we succeeded in pioneering a new way to find America's energy. It wasn't always easy, even in the years we did well. I recall our despair when a hurricane hit our brand new rig on its first location -- and it disappeared.

But I learned some very important lessons. When that rig went down, people lost their jobs. When we rebuilt, people went back to work. I saw the strain on the faces of family breadwinners, and I saw the joy.

So Washington may not always appreciate the role of small business in creating jobs and keeping America competitive. But rest assured, there is at least one person in Washington who does, and he is your President . . .

I also appreciate your industry's role in society. Without insurance, the loss of a spouse could mean the loss of a home. Without insurance, the loss of a parent could keep a child from attending college. We cannot offer protection against fate. But we can prevent the compounding of a tragedy, so that a death or an illness doesn't leave a bitter legacy of poverty and despair for a whole family.

You prevent that kind of double tragedy. You add a little bit of comfort to the grieving, and predictability for those who are victims of the unpredictable.

This is your service to society. It is as crucial a service as that of any social welfare agency. And you cannot continue to perform it if your industry is hamstrung by excessive regulation.

That's why we worked to remove excessive regulations, to free the creative energies of small firms. By ordering a review of more than 100 government regulations, the Task Force on Regulatory Relief, which I chaired as Vice President, saved the private sector more than 600 million man hours of paperwork and billions of dollars in government compliance cost. I will continue to work to keep you free from excessive regulation.

And when it comes to necessary regulation of your business, I am committed to letting the states take the lead -- not the federal government. Reducing the regulatory burden is important, but we must take action on other fronts as well if we are to keep American small business strong.

This is why I have also proposed a cut in the capital gains tax rate. Most of our major trading partners do not tax long-term capital gains. They understand that a high capital gains tax unnecessarily hurts our competitive position by drying up the

formation of capital, businesses and jobs. In 1978, when Congress cut the maximum tax rate on capital gains, the result was an explosion of new companies and new revenues.

Small businesses with less than 500 employees employ more than half of U.S. workers. So any onerous new burden on small business will also throw workers out of their jobs.

It is for this reason that I oppose the movement toward mandated employee benefits . . . In an era of tight budgets, there is always the temptation to drop the burden of social programs on the backs of employers. But these policies, born of the best intentions, can have unintended and counterproductive consequences.

It is up to business and labor to negotiate their differences. And make no mistake, I support the right of labor to negotiate as an equal. But burdensome mandated benefits serve neither business nor labor. We have seen what happens in other countries where mandated benefit programs create obstacles to productivity and growth. We cannot build a better America if we weigh down our production sector with new burdens.

And let me address one other area that concerns your business -- tort reform. Of course, there are many litigants who deserve a jury's sympathy. But when local governments cannot

install playgrounds, when businesses are bankrupted, when mothers struggle to find an obstetrician, when volunteer organizations have to pull back, then it is time to consider limiting damages. Tort reform is critical to the health of businesses and volunteer organizations alike.

All of my policies are directed toward a single goal: building a better America. To achieve this goal, my plan has four broad objectives -- attention to urgent priorities, an attack on the deficit, no new taxes, and an investment in the future.

Without a strong private sector, our nation would be mired in the past, doomed to fail. The entrepreneur is the man or the woman who is not only ready for change, but who relishes the thought of it. And this thought leads me to speak to you in more general terms, about my presidency, the challenges I hope to meet, the accomplishments I hope to make.

I am a man of this century. I fought in this century's greatest war, and raised a family and built a business during the mid-century of American greatness.

But I want to be a President who is remembered for preparing America for the next century. This is my entrepreneurial

definition of leadership, to see the shape of things to come, and to prepare for that 21st Century world -- only eleven years away.

By the year 2000, we will have experienced change as swift and fast as a torrent. Change in the American family, and in our work habits. Change in technology. Change in the world economy. Change in the rate of change itself.

The makeup of our remarkable nation has been evolving constantly. But the qualities on which it was founded are timeless and true. One of those constants is that we are an entrepreneurial people, at our best when we are challenged, and when we boldly face the future.

So my agenda is this: to confront the emerging problems of the future, today. A complacent society is doomed to comfortable decline. A dynamic society is one that keeps pace with the times. So call it that, if you will -- a Dynamic America. But recognize in the restless drive and vision of the American entrepreneur our best qualities as a nation.

A complacent nation would take comfort that America is free and the world is at peace. But world events are moving too swiftly for us to relax in set ways, to cling to smug assumptions. The question we must answer is: Will American

foreign policy be flexible enough to meet the emerging, and potentially dramatic, new world developments?

With this question in mind, I have asked all the appropriate agencies to reassess our foreign policy and defense strategy. This comprehensive review will set the basis of my future actions, and guide America into the next decade, and toward the next century.

On economic policy, I have submitted to the Congress a budget that is fiscally responsible. This budget does four things: it substantially reduces the deficit, it includes no new taxes, it addresses key priorities, and it still provides for important investments which will help make us more competitive in the future. My speech to Congress was accompanied by 193 pages of specific recommendations for the budget. Looking back in the history books, we found that no other President in recent history had presented quite so much information to Congress at such an early date.

I have also submitted a proposal to solve a festering problem that threatens our future prosperity -- a plan to restore the integrity of our nation's Savings and Loan institutions. I have asked the Congress to take action within 45 days. This problem is too important to delay.

The changing nature of American society -- to more working parents -- is putting pressure on our most basic social institution -- the family. How will we respond to this change? We simply cannot afford to create another entitlement program. That is why I am proposing a child-care plan that combines tax credits and private-sector resources to offer parents a choice. I want to empower parents, not government, to seek the best and the safest environment for their children.

There are many other areas of change. Homelessness affects a small proportion of Americans, but concerns all of us. But when I look out a White House window and see the ragged pathetic figures huddled over the steam grates of the Ellipse, I also see an affront to the American Dream. We must seek the root causes of, and devise the most practical solutions for, homelessness.

The environment -- once the concern of a farsighted few, is now a top priority of my Administration at home and abroad. We must devise a global approach to the problems of ozone depletion and global warming. We intend to make rapid progress on acid rain and see that a new clean air bill is produced. And we have already broken ground in joining with other nations to call for the elimination of CFCs and in adopting a tough new policy on the export of hazardous waste.

Finally, I want to single out one area which, in so many ways, is pre-eminently important to our nation. I am sure it is of particular importance to your family. We must protect, and strengthen, our schools.

You and I know that education is our most enduring legacy. You and I know that education is nothing less than the very heart and soul of our civilization.

As we face a new decade and a new century beyond, we also face a new challenge -- to revitalize and restore the system our forebears bequeathed to us; to ensure American education is second to none.

I have made a number of proposals to work toward this goal. Among them is my request to reward those schools whose students show measurable progress in educational achievement, while maintaining a safe and drug-free environment.

I have also asked for an annual fund of \$100 million in new appropriations to help create magnet schools to broaden the educational choices of parents and students. And I have made many other proposals, including programs to strengthen Historically Black Colleges and Universities, and to reward our best teachers.

I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

I've laid out my agenda for building a better America. True, it is an ambitious one. But it is no less ambitious, no less dynamic, than the American people. As businessmen and women, you can help me to fulfill this agenda, to meet the challenges that face our country. By working together, we can achieve anything.

Thank you.

#

MASTER II

Document No. 015341

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/11/89 ACTION/CONCURRENCE/COMMENT DUE BY: ---

PRESIDENTIAL REMARKS: INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE

SUBJECT: MARCH 14, 1989

(3/11 - 1:00 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

1989 MAR 11 PM 12:59

Davis/Dooley
March 11, 1989
1:00 p.m.

REMARKS: INDEPENDENT INSURANCE AGENTS OF AMERICA
ANNUAL NATIONAL LEGISLATIVE CONFERENCE
MARCH 14, 1989

Thank you.

It is truly an honor to appear before this group. In this city, the currency of status is measured in titles and honorifics -- Senator, Ambassador, Secretary. But in my book, you hold one of the most impressive titles of all -- that of entrepreneur.

I know the hunger you feel to own a firm of your own, to start from scratch, to build it and watch it grow. I know the satisfaction of matching resources to needs, of meeting deadlines and meeting payrolls.

A few years after World War Two, I started my own business. It was a small firm at first, but not too small to teach me the facts of economic life. I got my start by taking a risk; and I got my business education by making that company grow.

Our company was a high-risk venture. There was a new technology, unproven, full of half-starts and failures, called

off-shore drilling. We took a gamble; we invested in that technology; and we succeeded in pioneering a new way to find America's energy. It wasn't always easy, even in the years we did well. I recall our despair when a hurricane hit our brand new rig on its first location -- and it disappeared.

But I learned some very important lessons. When that rig went down, people lost their jobs. When we rebuilt, people went back to work. I saw the strain on the faces of family breadwinners, and I saw the joy.

So Washington may not always appreciate the role of small business in creating jobs and keeping America competitive. But rest assured, there is at least one person in Washington who does, and he is your President . . .

I also appreciate your industry's role in society. Without insurance, the loss of a spouse could mean the loss of a home. Without insurance, the loss of a parent could keep a child from attending college. We cannot offer protection against fate. But we can prevent the compounding of a tragedy, so that a death or an illness doesn't leave a bitter legacy of poverty and despair for a whole family.

You prevent that kind of double tragedy. You add a little bit of comfort to the grieving, and predictability for those who are victims of the unpredictable.

This is your service to society. It is as crucial a service as that of any social welfare agency. And you cannot continue to perform it if your industry is hamstrung by excessive regulation.

That's why we worked to remove excessive regulations, to free the creative energies of small firms. By ordering a review of more than 100 government regulations, the Task Force on Regulatory Relief, which I chaired as Vice President, saved the private sector more than 600 million man hours of paperwork and billions of dollars in government compliance cost. I will continue to work to keep you free from excessive regulation.

And when it comes to necessary regulation of your business, I am committed to letting the states take the lead -- not the federal government. Reducing the regulatory burden is important, but we must take action on other fronts as well if we are to keep American small business strong.

This is why I have also proposed a cut in the capital gains tax rate. Most of our major trading partners do not tax long-term capital gains. They understand that a high capital gains tax unnecessarily hurts our competitive position by drying up the

formation of capital, businesses and jobs. In 1978, when Congress cut the maximum tax rate on capital gains, the result was an explosion of new companies and new revenues.

Small businesses with less than 500 employees employ more than half of U.S. workers. So any onerous new burden on small business will also throw workers out of their jobs.

It is for this reason that I oppose the movement toward mandated employee benefits In an era of tight budgets, there is always the temptation to drop the burden of social programs on the backs of employers. But these policies, born of the best intentions, can have unintended and counterproductive consequences.

It is up to business and labor to negotiate their differences. And make no mistake, I support the right of labor to negotiate as an equal. But burdensome mandated benefits serve neither business nor labor. We have seen what happens in other countries where mandated benefit programs create obstacles to productivity and growth. We cannot build a better America if we weigh down our production sector with new burdens.

And let me address one other area that concerns your business -- tort reform. Of course, there are many litigants who deserve a jury's sympathy. But when local governments cannot

install playgrounds, when businesses are bankrupted, when mothers struggle to find an obstetrician, when volunteer organizations have to pull back, then it is time to consider limiting damages. Tort reform is critical to the health of businesses and volunteer organizations alike.

All of my policies are directed toward a single goal: building a better America. To achieve this goal, my plan has four broad objectives -- attention to urgent priorities, an attack on the deficit, no new taxes, and an investment in the future.

Without a strong private sector, our nation would be mired in the past, doomed to fail. The entrepreneur is the man or the woman who is not only ready for change, but who relishes the thought of it. And this thought leads me to speak to you in more general terms, about my presidency, the challenges I hope to meet, the accomplishments I hope to make.

I am a man of this century. I fought in this century's greatest war, and raised a family and built a business during the mid-century of American greatness.

But I want to be a President who is remembered for preparing America for the next century. This is my entrepreneurial

definition of leadership, to see the shape of things to come, and to prepare for that 21st Century world -- only eleven years away.

By the year 2000, we will have experienced change as swift and fast as a torrent. Change in the American family, and in our work habits. Change in technology. Change in the world economy. Change in the rate of change itself.

The makeup of our remarkable nation has been evolving constantly. But the qualities on which it was founded are timeless and true. One of those constants is that we are an entrepreneurial people, at our best when we are challenged, and when we boldly face the future.

So my agenda is this: to confront the emerging problems of the future, today. A complacent society is doomed to comfortable decline. A dynamic society is one that keeps pace with the times. So call it that, if you will -- a Dynamic America. But recognize in the restless drive and vision of the American entrepreneur our best qualities as a nation.

A complacent nation would take comfort that America is free and the world is at peace. But world events are moving too swiftly for us to relax in set ways, to cling to smug assumptions. The question we must answer is: Will American

foreign policy be flexible enough to meet the emerging, and potentially dramatic, new world developments?

With this question in mind, I have asked all the appropriate agencies to reassess our foreign policy and defense strategy. This comprehensive review will set the basis of my future actions, and guide America into the next decade, and toward the next century.

On economic policy, I have submitted to the Congress a budget that is fiscally responsible. This budget does four things: it substantially reduces the deficit, it includes no new taxes, it addresses key priorities, and it still provides for important investments which will help make us more competitive in the future. My speech to Congress was accompanied by 193 pages of specific recommendations for the budget. Looking back in the history books, we found that no other President in recent history had presented quite so much information to Congress at such an early date.

I have also submitted a proposal to solve a festering problem that threatens our future prosperity -- a plan to restore the integrity of our nation's Savings and Loan institutions. I have asked the Congress to take action within 45 days. This problem is too important to delay.

The changing nature of American society -- to more working parents -- is putting pressure on our most basic social institution -- the family. How will we respond to this change? We simply cannot afford to create another entitlement program. That is why I am proposing a child-care plan that combines tax credits and private-sector resources to offer parents a choice. I want to empower parents, not government, to seek the best and the safest environment for their children.

There are many other areas of change. Homelessness affects a small proportion of Americans, but concerns all of us. But when I look out a White House window and see the ragged pathetic figures huddled over the steam grates of the Ellipse, I also see an affront to the American Dream. We must seek the root causes of, and devise the most practical solutions for, homelessness.

The environment -- once the concern of a farsighted few, is now a top priority of my Administration at home and abroad. We must devise a global approach to the problems of ozone depletion and global warming. We intend to make rapid progress on acid rain and see that a new clean air bill is produced. And we have already broken ground in joining with other nations to call for the elimination of CFCs and in adopting a tough new policy on the export of hazardous waste.

Finally, I want to single out one area which, in so many ways, is pre-eminently important to our nation. I am sure it is of particular importance to your family. We must protect, and strengthen, our schools.

You and I know that education is our most enduring legacy. You and I know that education is nothing less than the very heart and soul of our civilization.

As we face a new decade and a new century beyond, we also face a new challenge -- to revitalize and restore the system our forebears bequeathed to us; to ensure American education is second to none.

I have made a number of proposals to work toward this goal. Among them is my request to reward those schools whose students show measurable progress in educational achievement, while maintaining a safe and drug-free environment.

I have also asked for an annual fund of \$100 million in new appropriations to help create magnet schools to broaden the educational choices of parents and students. And I have made many other proposals, including programs to strengthen Historically Black Colleges and Universities, and to reward our best teachers.

I appeal to you to get active in your schools, to share your knowledge, expertise and resources where it is most needed.

I've laid out my agenda for building a better America. True, it is an ambitious one. But it is no less ambitious, no less dynamic, than the American people. As businessmen and women, you can help me to fulfill this agenda, to meet the challenges that face our country. By working together, we can achieve anything.

Thank you.

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