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# FOIA MARKER

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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13480  
**Folder ID Number:** 13480-007

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**Folder Title:**  
National Association of Manufacturers, 3/23/89 [2]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>25</b>	<b>6</b>	<b>1</b>	<b>7</b>

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RECEIVED IN C13

**WHITE HOUSE STAFFING MEMORANDUM**

DATE: 03/17/89 ACTION/CONCURRENCE/COMMENT DUE BY: C.O.B. Monday 03/20

SUBJECT: PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
(03/17 5:45 p.m. draft)

	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 type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input 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"/>	<u>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BENNETT</u>	<input checked="" 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 provide any comments/recommendations to Chriss Winston (Rm. 122, x2930) by close of business on Monday, 03/20, with an info copy to my office. Thanks.

RESPONSE: *See changes*

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

(Lange/Martin)  
March 17, 1989  
5:45 p.m.

1989 MAR 17 01:07:49

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
WASHINGTON, D.C.  
THURSDAY, MARCH 23, 1989

Thank you, [Dick]. You know, I understand a few of you were concerned about the 1984 Trade Report, heralding the arrival of the "post-industrial" society. And I have to confess, that whenever anyone talks to me about some "post-industrial" society, I have doubts of my own.

↪ Would such a place get along without <sup>pipe makers</sup> plumbers, for instance? And if such a society could exist, I wonder if either its pipes or its theories would hold water.

For now, I'm willing to bet my last dollar on manufacturing in America. At least until somebody can show me how to wear a piece of information, or parallel-park a concept.

American manufacturing has been -- and continues to be -- the backbone of this economy. It's been estimated that every new manufacturing job creates three other jobs here at home.

I've been a great admirer of the export-driven, rust-belt renaissance you've kicked off. Last year, the merchandise trade deficit dropped by a fifth. Exports surged to an all-time high. And manufacturing productivity is also now <sup>above its post war average</sup> at record levels. The

*where did you read about it?*  
*Direct quote from a book by John Gardner. This should be quoted on the President's record. Could be accused of plagiarism.*  
*Adm's 5178*

*Note: Plumbers are not manufacturers.*  
*A. Raul*  
*x 5044*  
*✓*

*Wicker*  
*5823*

quality of American exports is arguably better than it has ever been. And in terms of sheer output, American factories have never done better.

Now, there's a lot of talk about competitiveness going around these days -- and these facts and figures are all ways of measuring it.

But competitiveness is more than just the latest trade figures, the latest quarterly earnings -- or the latest poll, the latest election, or the latest Nielson ratings, for that matter. Surely our success can be measured by better methods than these. In your industry, as in mine, this may be a good time for us to look toward a longer horizon.

We stand at a special moment in American history. We are prosperous... } and we are at peace. ✓

At such a point, we are empowered -- even required -- to set our sights higher. To look farther ahead. It is a time to make choices. A time to answer those questions that will have the farthest-reaching impact on our success as a society.

The 21st Century is less than a dozen years away now. ✓

You've called this conference "The New Leadership Summit." Well, whatever else you think about leadership -- or vision, for that matter -- it's not lofty rhetoric, charisma, or clairvoyance.

No, it may be as simple as understanding where an organization finds itself, right now; seeing where it wants to go; and knowing how to get there. Above all, it's playing the long game, whatever the odds -- and playing for keeps. So today I<sup>d</sup> like to outline my agenda for the next American century.

A. Raul  
5044

To build a better America, one of the most important priorities for this government will be to build savings and long-term investment -- and get our fiscal house in order. This means, first off, bringing down the deficit.

Last month, I submitted a budget to Congress with a clear agenda to cut the Federal deficit, and enhance business<sup>s</sup> ability to plan, expand, and build. My friends, next year alone, Federal tax revenues will rise by more than \$80 billion -- and yes, here I go again -- with No New Taxes. Our plan will hold the line on spending, using that revenue to slash the deficit by more than 40 percent -- bringing it down below the mandated targets.

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5044

To encourage long-range investment and entrepreneurship in businesses of all sizes, it's time we restored the capital gains differential. This is another case where less means more. More

revenue to the Federal government -- \$4.3 billion more, according to Treasury estimates. More savings, and more investment. More competitive, flexible businesses. More opportunities for innovation. And more jobs for all Americans.

This is no tax break for the rich. It's a fair shake for America.

To spur investment in basic research, we've proposed a permanent extension of the research and experimentation tax credit. A 13 percent increase for science and technology programs. And we intend to stay on track in our effort to double the National Science Foundation's budget by 1993.

To support capital formation, we will encourage personal savings, and restore the integrity of our nation's savings and loans institutions. Our plan has been well-received on both sides of the aisle on Capitol Hill -- and I've asked for action within 45 days.

We want to ease the pressures now building on the most important organization in America -- the family -- by promoting choice on issues like child care. So last week I sent legislation to Congress that puts money and options in the hands of parents, rather than bureaucracies. Our plan empowers all families: dual earners, single parents, ~~those who choose to~~ *two parent families in which one parent*

Weichen  
x 5873

in 7/1990

Holen  
5/1/91

Note: The plan does not benefit families in which no parent works.

Holm  
5178

5

care provided through their churches and

remains at home; those who prefer informal, neighborhood

arrangements; and especially those on low incomes, struggling to

maintain their  
be self-sufficient.

Note: "be self-sufficient" sounds as if they might be on welfare and trying to work their way off. Last year's welfare bill deals with these families.

Lasting self-sufficiency, of course, means quality

education. And I see education as long-range planning at its

best -- a solution for the next century, for problems we haven't

even begun to recognize yet. It is an essential key to our

competitive future. Let no one suggest that education is a minor

matter on the national agenda. It is vital to everything we are,

and can become.

But there are no quick fixes here, either. No stop-gap solutions. Like most of the long-term issues on the national agenda, American education won't be fixed with a bolt of lightning here, a puff of smoke there. It will take collective effort at all levels, public and private, to get it right. Those businesses that are involved with local schools -- developing the workforce at its source -- are making fail-safe investments. And they stand to reap the greatest rewards.

For those workers already on the line, we must build new skills and flexibility as jobs change. By one estimate, 75 percent of all people now working will need some kind of retraining before this century is over. The NAM policy position you adopted last year said that "investment in human resources is

Holm  
5178

at least as important as investment in equipment and technology." And you're absolutely right.

The astounding gains in productivity you've already achieved can be pushed still higher -- but we'll have to look beyond upgrades to plant and equipment. Ever since the 1930s, ~~machine~~ <sup>plant + equipment</sup> ~~capital~~ has contributed only about 20 percent to productivity. Most of this country's productivity improvements -- and most of our growth in national income -- have been directly linked to labor quality: and that means training, and retraining.

I'm reminding you of something you already know: machinery and technology alone don't improve productivity. People do.

Another issue where we plan to play for keeps: We're determined to get drugs out of the workplace. <sup>+ alcohol</sup> Drug abuse ~~in the workplace~~ costs \$100 billion every year, putting productivity and lives at risk. <sup>The Nation at least \$100.B</sup> Bill Bennett is off to a fast start. But we will also be looking to you to set effective, well-reasoned drug policies in your businesses.

Employers can teach their people to recognize the signs of substance abuse in their co-workers -- and understand how drug abuse hurts the non-users on the line.

Weicher  
✓ 5073

plant + equipment

Hale  
3/20

✓

Any long-term agenda must ask how we can leave the earth we've inherited a little better than when we found it. And, you know, this is no political litmus test. I think of Teddy Roosevelt as one of the great conservationists -- one of the great environmentalists. Our grandchildren should be able to fish on the same lakes we've enjoyed.

The time has come to set aside the partisan approach to these enormous environmental questions. We must devise a global answer 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 CFCs -- as well as adopting a tough new policy on the export of hazardous waste.

In this agenda for a new American century, I've asked you to consider a broad vision: long-term savings and investment; support for the family; education and retraining; stopping drugs; and cleaning up the environment. But we must rely on more than legislation.

We must rely on the dynamic spirit that is America. The spirit that says: ~~Houses should not stand empty, while people lack shelter.~~ Jobs should not go unfilled, while young men and

→ Bldgs

Those who are homeless shall be given the care + services they need.

Hal  
5/20

women stand idle on street corners. No one should go hungry, in the richest nation on earth.

We must promote local efforts to assure that every American can seize a share of prosperity -- and help to create more of it. Whether through the constellation of local community groups already at work -- or through new ideas, like our program for Youth Engaged in Service -- we will rely less on the collective wallet, and more on collective will.

But this does not mean lowering our sights, or our expectations. Just the opposite. In an era of tight budgets, we are not going to simply "make do with less." We're going to learn how to do more with less -- and do it better.

Yes, we are prosperous. And we are at peace. But such quiet moments often become pivotal in a nation's history.

My friends, the choices we make now will determine whether the door to the next American century is closing -- or opening wide, for all who dare to dream.

Thank you. God bless you. And God bless America.

*Action: D. Nymor*

# WHITE HOUSE STAFFING MEMORANDUM

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(03/17 5:45 p.m. draft)

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GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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**REMARKS:**

Please provide any comments/recommendations to Chriss Winston (Rm. 122, x2930) by close of business on Monday, 03/20, with an info copy to my office. Thanks.

**RESPONSE:**

*OK, with suggested changes. pgs. 4 and 5  
Unable to verify facts on pgs 1 and 6. Can  
follow up if needed.*

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

(Lange/Martin)  
March 17, 1989  
5:45 p.m.

1989 MAR 17 11 7:45

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
WASHINGTON, D.C.  
THURSDAY, MARCH 23, 1989

Thank you, [Dick]. You know, I understand a few of you were concerned about the 1984 Trade Report, heralding the arrival of the "post-industrial" society. And I have to confess, that whenever anyone talks to me about some "post-industrial" society, I have doubts of my own.

Would such a place get along without plumbers, for instance. And if such a society could exist, I wonder if either its pipes or its theories would hold water.

For now, I'm willing to bet my last dollar on manufacturing in America. At least until somebody can show me how to wear a piece of information, or parallel-park a concept.

American manufacturing has been -- and continues to be -- the backbone of this economy. It's been estimated that every new manufacturing job creates three other jobs here at home.

*unable to verify immediately* →

I've been a great admirer of the export-driven, rust-belt renaissance you've kicked off. Last year, the merchandise trade deficit dropped by a fifth. Exports surged to an all-time high. And manufacturing productivity is also now at record levels. The

quality of American exports is arguably better than it has ever been. And in terms of sheer output, American factories have never done better.

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But competitiveness is more than just the latest trade figures, the latest quarterly earnings -- or the latest poll, the latest election, or the latest Nielson ratings, for that matter. Surely our success can be measured by better methods than these. In your industry, as in mine, this may be a good time for us to look toward a longer horizon.

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4 nearly \$5  
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We want to ease the pressures now building on the most important organization in America -- the family -- by promoting choice on issues like child care. So last week I sent legislation to Congress that puts money and options in the hands of parents, rather than bureaucracies. Our plan empowers all families: dual earners, single parents, those who choose to

remain at home; those who prefer informal, neighborhood arrangements; and especially those on low incomes, struggling to be self-sufficient.

Lasting self-sufficiency, of course, means quality education. And I see education as long-range planning at its best -- a solution for the next century, for problems we haven't even begun to recognize yet. It is an essential key to our competitive future. Let no one suggest that education is a minor matter on the national agenda. It is vital to everything we are, and can become.

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*cannot  
verify  
immediately*

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THE WHITE HOUSE

WASHINGTON

March 20, 1989

MEMORANDUM FOR CHRISS WINSTON  
DEPUTY ASSISTANT TO THE PRESIDENT  
FOR COMMUNICATIONS

FROM: NELSON LUND *NL*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: National Association of  
Manufacturers

At the request of James W. Cicconi, Counsel's Office has reviewed the captioned draft presidential remarks.

In the second sentence of the third full paragraph on page 6, the estimated yearly cost of drug abuse in the work place needs to be filled in.

In the first full paragraph on page 8, there is a reference to the new program that has been called "Youth Engaged in Service." As the National Service Office is aware, we believe that there may be potentially serious trademark problems with the continued use of this name. Until these questions are resolved, or a new name is selected, the program should be referred to in some other way. You may wish to consider, for example, a reference to "our program for engaging youth in service" or to "our program for encouraging volunteer services by young people."

We have no other legal objections, and we appreciate having had the opportunity to review these draft remarks.

(Lange/Martin)  
March 17, 1989  
5:45 p.m.

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
WASHINGTON, D.C.  
THURSDAY, MARCH 23, 1989

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U.S. industry is strong, and it's getting stronger. I've been a great admirer of the export-driven, rust-belt renaissance you've kicked off. Last year, the merchandise trade deficit dropped by a fifth. Exports surged to an all-time high. And manufacturing productivity is also now at record levels. The quality of American exports is arguably better than it has ever been. And in terms of sheer output, American factories have never done better.

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*To build a better America,*

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✓ Last month I submitted a budget to Congress with a clear agenda to cut the Federal deficit, and enhance business' ability to plan, expand, and build. My friends, next year alone, Federal tax revenues will rise by more than \$80 billion -- and yes, here I go again -- with No New Taxes. Our plan will hold the line on spending, using that revenue to slash the deficit by more than 40 percent -- bringing it down below the mandated targets.

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break for the rich, <sup>4</sup> *its a fair shake for America.*  
~~No, it's a sure and proven path to~~ ✓  
~~widespread economic growth.~~

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I'm reminding you of something you already know: machinery and technology alone don't improve productivity. People do.

*Yours*

Long-range business success will depend more than ever on comprehensive, coordinated job training. Public-private partnerships -- like Private Industry Councils, working through the Job Training Partnership Act -- will be especially crucial for smaller businesses. They're a way to pool resources. And they work.

This administration will continue to look for ways to stimulate these partnerships, and provide incentives for the kind of education and training that meet market demands.

Another issue where we plan to play for keeps: We're determined to get drugs out of the workplace. Drug abuse in the workplace costs \$00 billion every year, putting productivity and lives at risk. Bill Bennett is off to a fast start. But we will

also be looking to you to set effective, well-reasoned drug policies in your businesses.

Employers can teach their people to recognize the signs of substance abuse in their co-workers -- and understand how drug abuse hurts the non-users on the line.

Any long-term agenda must ask how we can leave the earth we've inherited a little better than when we found it. And, you know, this is no political litmus test. I think of Teddy Roosevelt as one of the great conservationists -- one of the great environmentalists. Our grand<sup>children</sup>sons should be able to fish on the same lakes we've enjoyed.

The time has come to set aside the partisan approach to these enormous environmental questions. We must devise a global answer 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 CFCs -- as well as adopting a tough new policy on the export of hazardous waste.

*this agenda for a new American century*  
 In all of the central tenets of the agenda I've asked you to consider ~~today~~ -- long-term savings and investment, support for the family; education and retraining; stopping drugs; and

cleaning up the environment -- we must rely on something much <sup>more</sup> larger than legislation.

We must rely on the <sup>deprived</sup> spirit <sup>that is America</sup> of ~~this great nation~~. The spirit that says: Houses should not stand empty, while people lack shelter. Jobs should not go unfilled, while young men and women stand idle on street corners. No one should go hungry, in the richest nation on earth.

We must promote local efforts <sup>to</sup> ~~that~~ assure that every American can seize a share of prosperity -- and help to create more of it. Whether through the constellation of local community groups already at work -- or through new ideas, like our program for Youth Engaged in Service -- we will rely less on the collective wallet, and more on collective will.

But this does not mean lowering our sights, or our expectations. Just the opposite. In an era of tight budgets, we are not going to just have to <sup>make</sup> "do with less." We're going to have to learn how to do more with less -- and do it better.

Yes, we are prosperous. And we are at peace. But such quiet moments can often become pivotal in a nation's history.

~~The hinges upon which this moment turns are moving quietly.~~  
~~But taken together, these choices~~ <sup>the choices we make</sup> will determine whether the door

to the next American century is closing -- or opening wide, for  
all <sup>*don't dream -*</sup> ~~who wish to enter.~~

Thank you. God bless you. And God bless America.

(c) 1989 Newsday, March 10, 1989

Democratic Congress.

There were no significant contradictions between the two reports, and neither one managed to prove Bush's involvement in Iran-contra. Tower might have been able to cover for Bush in the Tower commission, but as recent events have shown, in a Democratic Congress he can't even cover for himself.

To understand Bush's suicidal support for Tower you have to understand that, as we saw in the selection of Vice President Dan Quayle, Bush is a stubborn man who persists in finding virtue in people whose virtue eludes the rest of us.

In the case of Tower, this trait is compounded by the fact that for a quarter of a century Tower and Bush have been winning and losing together.

In the words of George Bristol, a Texas Democrat who has watched them both, "There has been an unbroken line of support between the two of them going back to when you couldn't find enough Republicans in Texas to fill up a phone booth."

Tower got elected to the Senate seat that Lyndon Johnson vacated to become vice president in 1961 - a Republican in a state that had been Democratic for so long that no one thought a competitive Republican Party was possible.

Tower, Bush and a handful of other pillars of Houston's River Oaks Country Club constituted the core of a group which, with Tower as its head, made for the emergence of a competitive Texas Republican Party.

When Bush ran (unsuccessfully) for the Senate in 1964, Tower was there. When Bush ran successfully for a House seat in 1966, Sen. Tower helped him out then, too.

By the time Bush made his second run for a Senate seat (in 1970), Tower had become a powerful force at home and in Washington, and he backed Bush with money and political support.

In 1976, Bush and Tower backed Gerald Ford against Ronald Reagan, a decision that became costly to both when the country club Republican Party that they had been quietly building got taken over by New Right activists loyal to Reagan. In 1980, Tower again backed Bush, this time for the presidency, and once again he was against Reagan.

So by 1988, Tower was ready for a winner. In the Bush campaign, he was legendary for his devotion to the cause. As a surrogate speaker for the campaign, he was ready to go everywhere and anywhere, to do anything needed - even campaigning with Dan Quayle when no one else would touch him. It was assumed by many all along that if Bush won, Tower would become secretary of defense.

George Bush owed John Tower nothing more, and nothing less, than his personal loyalty. In recent weeks, Bush has been as loyal to Tower as Tower has been to him for the past 25 years.

But loyalty is one of those good traits that can damage a presidency. Bush and Tower now join the ranks of Dwight Eisenhower and Sherman Adams, Jimmy Carter and Bert Lance, Ronald Reagan and Ed Meese - all examples of presidents who paid the price for loyalty to friends and longtime political allies.

(c) 1989 Newsday, March 10, 1989

As President Harry Truman once said, "If you want a friend in Washington, buy a dog."

GRAPHIC: Illustration by Bruno Keusch-John Tower squeezed into a bottle

defense - support that has cost the new president enormously. The episode has raised serious doubts about the capacity of the new team to manage the White House, has abruptly ended Bush's honeymoon and has cost him the initiative with Congress.

President Bush has not even finished his first 100 days and already comparisons to Jimmy Carter are being made. Especially when it comes to the series of White House missteps with Congress, the president who was supposed to be "ready from day one" is looking like the Georgia governor who didn't know the difference between the Georgia legislature and the U.S. Congress.

Having lost the fight for Tower, Bush will find that subsequent fights in Congress will be harder to win.

No matter how many Polaroid shots Bush takes of lawmakers and their spouses in the Lincoln bedroom, he will not be able to overcome the perception that he is weak and unable to handle Congress.

Now that he has lost his first big fight, no one will be afraid of Bush for the next four years. That's a problem in a town where being feared is often more valuable than being liked.

Even had Bush managed to get Tower past the full Senate, Tower would have been a very weakened secretary of defense. Every midnight crisis, every military contract, every sexual harassment charge would have been subject to the kind of "micro-management" of the Pentagon by Congress that Bush has warned against.

And yet Bush stubbornly fought for his nominee, dragging down Tower, the Senate and his own prospects for a smooth 100 days. He could have cut his losses and asked Tower to remove himself from consideration at many different points in the last few weeks - but he didn't. Why not?

The most Machiavellian theory is that, as chairman of a commission to investigate the Iran-contra scandal, Tower whitewashed Bush's role. But the report of the Tower commission was followed by a full-scale investigation in a

My friends, next year, under current law, the economic growth we are enjoying will increase federal revenues by more than \$80 billion without increasing tax rates. Our plan will hold the line on spending, using some of those new revenues to slash the deficit by more than 40 percent -- and bring it down below the mandated Gramm-Rudman-Hollings targets.

To encourage long-range investment and entrepreneurship in businesses of all sizes, it's time we restored the capital gains differential -- by reducing the capital gains rate to 15 percent on long-held assets. This is a case where less means more. More revenue to the Federal government -- \$4.8 billion more in 1990, according to Treasury estimates. The critics say, "Tax cut for the rich." I say, cut the capital gains rate and you'll have more jobs for the poor -- and others -- and more growth and opportunity for the whole country.

Competitiveness, opportunity, saving, and investing for the long term -- this is why we need a capital gains tax rate cut. It's why we need one now.

To spur investment in basic research, we've proposed a permanent research and experimentation tax credit. <sup>We've also proposed</sup> A 13 percent increase for science and technology programs, ~~and~~

~~And we have created a new post at the Commerce Department -- Undersecretary for Technology -- that embodies our commitment to~~  
~~to guaranteeing that American technology is number one. We also~~  
intend to double the National Science Foundation's budget by 1993.

A strong economy needs a safe and secure banking system. That is why we proposed a comprehensive plan to solve the difficulties of our savings and loans. Our plan has been well-received on both sides of the aisle on Capitol Hill -- and I've asked for action within 45 days.

We want to ease the pressures now building on the most important organization in America -- the family -- by promoting choice on issues like child care. So last week I sent legislation to Congress that puts money and options in the hands of parents, rather than bureaucracies.

But the most powerful key to long-term competitiveness is education. A strengthened education system is the essential ingredient for America's prosperity into the next decade and the next century. Let no one suggest that education is a minor matter on the national agenda. It is vital to everything we are, and can become.

But there are no quick fixes here, either. Like most of the long-term issues on the national agenda, American education won't be fixed with a bolt of lightning here, a puff of smoke there. It will take collective effort at all levels, public and private, to get it right. Those businesses that are involved with local schools -- developing the workforce at its source -- are making fail-safe investments. And they stand to reap the greatest rewards.

For those workers already on the line, we must build new skills and flexibility as jobs change, through training and re-training. The NAM policy position you adopted last year said that "investment in human resources is at least as important as investment in equipment and technology." And you're absolutely right. Machinery and technology alone don't improve productivity. People do.

Another issue where we plan to play for keeps: We're determined to get drugs out of the workplace. Drug and alcohol abuse in the workplace costs \$60 billion every year, putting productivity and lives at risk.

Drug abuse in America must stop -- and we are off to a fast start. Last month I spoke to Congress about four decisive issues: education, treatment, interdiction, and enforcement. And I asked for an increase of \$1 billion in budget outlays -- to

nearly \$6 billion in 1990 -- to escalate our effort. But we will also be looking to you to set effective, well-reasoned drug policies in your businesses.

Employers can teach their people to recognize the signs of substance abuse in their co-workers -- and understand how drug abuse hurts the non-users on the line. I've called for a drug-free workplace. Tuesday's Supreme Court decision affirming drug-testing will give this concept a much better chance of success.

Any long-term agenda must also ask how we can leave the earth we've inherited a little better than when we found it. We must devise answers to the problems of ozone depletion, global warming, and acid rain. We've already joined with other nations to call for the elimination of CFCs and the development of environmentally safe substitutes -- as well as adopting a tough new policy on the export of hazardous waste. We can do these things without stifling the economic growth that is necessary for our nation's economic health.

The time has come to set aside partisan approaches to these and other enormous environmental questions. We must ensure that our grandchildren can fish on the same lakes we've enjoyed.

In this agenda for a new American century, I've asked you to consider a broad vision: a vision that relies on the dynamic

spirit that is America. The spirit that says: Buildings should not stand empty, while people lack shelter. Jobs should not go unfilled, while young men and women stand idle on street corners. No one should go hungry, in the richest nation on earth.

We must promote local efforts to assure that every American can seize a share of prosperity -- and help to create more of it. Whether through the constellation of local community groups already at work -- or through new ideas, like our program to encourage our nation's youth to become involved in community service: we will rely less on the collective wallet, and more on collective will.

But this does not mean lowering our sights, or our expectations. Just the opposite. In an era of tight budgets, we are not going to simply "make do with less." We're going to learn how to do more with less -- and do it better. In the factory, that's called productivity. Across our country, that's called national spirit.

Yes, we are prosperous. And we are at peace. But such quiet moments often become pivotal in a nation's history.

My friends, the choices we make now will determine whether the door to the next American century is closing -- or opening wide, for all who dare to dream.

Thank you. God bless you. And God bless America.

(Lange/Martin)  
March 22, 1989  
5:20 p.m.

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
MAYFLOWER HOTEL  
THURSDAY, MARCH 23, 1989  
1:27 p.m.

Thank you, [Dick]. Welcome to Washington -- the city about which Harry Truman said, "If you want a friend in Washington, buy a dog." I'm here to say, "Not so!" I view manufacturers and other business people as friends -- and I am grateful for that.

You know, after one tough football game, somebody asked Knute Rockne why Notre Dame had lost. He answered, "I won't know until my barber tells me on Monday."

Well, nobody's second-guessing American manufacturing anymore. Clearly, you're playing a winning game.

I'm here today to tell you that "de-industrialization" is a myth. Manufacturing, as a share of our national output, is as strong today as it has ever been.

Thanks to the hard work of the men and women in this room -- who are the brains and muscle of America's basic industries -- we are producing more products with a smaller percentage of our population than ever before.

That, my friends, is productivity. That is why since 1982, our manufacturing output has gone up twice as fast as Western Europe and has kept pace with Japan.

You are the producers who are building a better America every day. Your presence here today demonstrates that you are fighting to win the international struggle for continued growth. You have demonstrated that you can make America more competitive -- and that you can keep America more competitive.

Now, I'm not saying you're going to have to do it alone. There is a role for government. Sometimes political leadership is needed -- for example, to keep international trade free and fair. However, I will tell you that this government will not confuse involvement with interference.

There's a lot of talk about competitiveness going around these days. But competitiveness is more than just the latest trade figures, or the latest quarterly earnings -- or the latest poll or the latest election, for that matter.

Surely our success can be measured by better methods than these. In your industry, as in mine, this may be a good time for us to look toward a longer horizon.

We stand at a special moment in American history. We are prosperous... and we are at peace.

At such a point, we must set our sights higher. We must look farther ahead. The 21st Century is less than a dozen years away now.

You've called this conference "The New Leadership Summit." Leadership is certainly found in those like you who keep the great engines of American industry turning. In creating jobs, building businesses and meeting needs, our Nation's manufacturers have shown the qualities that will carry us into the future. And make no mistake, the challenges we face will test your vision and your capacity to define an agenda for action.

Today, I'd like to address that very point by outlining my agenda for the next American century.

To build a better America, one of the most important priorities for this government will be to encourage savings and long-term investment -- and get our fiscal house in order. This means bringing down the deficit.

Last month, I submitted a budget to Congress with a clear agenda to cut the Federal deficit, and enhance business' ability to plan, expand, and build.

MASTER I

Document No. 018102

**WHITE HOUSE STAFFING MEMORANDUM**

DATE: 03/17/89 ACTION/CONCURRENCE/COMMENT DUE BY: C.O.B. Monday 03/20

SUBJECT: PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
(03/17 5:45 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>MCCLURE</u> <i>Comments on attached master</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>NEWMAN</u>	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	<u>PORTER</u> <i>calling back</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>DARMAN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>STUDDERT</u> <i>out of town</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>BATES</u> <i>Red-tagged</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>UNTERMAYER</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>BREEDEN</u> <i>calling back</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	* <u>PINKERTON</u> <i>never got a copy</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>BOSKIN</u> <i>walking it down</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BENNETT</u> <i>no comments</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>GRAY</u>	<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 provide any comments/recommendations to Chriss Winston (Rm. 122, x2930) by close of business on Monday, 03/20, with an info copy to my office. Thanks.

**RESPONSE:**

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

*Handwritten: Name - Rob Simon*

(Lange/Martin)  
March 17, 1989  
5:45 p.m.

1989 MAR 17 PM 7:45

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
WASHINGTON, D.C.  
THURSDAY, MARCH 23, 1989

Thank you, [Dick]. You know, I understand a few of you were concerned about the 1984 Trade Report, heralding the arrival of the "post-industrial" society. And I have to confess, that whenever anyone talks to me about some "post-industrial" society, I have doubts of my own.

Would such a place get along without plumbers, for instance. And if such a society could exist, I wonder if either its pipes or its theories would hold water.

For now, I'm willing to bet my last dollar on manufacturing in America. At least until somebody can show me how to wear a piece of information, or parallel-park a concept.

American manufacturing has been -- and continues to be -- the backbone of this economy. ~~It's been estimated that every new manufacturing job creates three other jobs here at home.~~

I've been a great admirer of the export-driven, ~~rust-belt~~ *manufacturing* renaissance you've kicked off. Last year, the merchandise trade deficit dropped by a fifth. Exports surged to an all-time high. And manufacturing productivity is also now at record levels. The

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quality of American exports is ~~arguably~~ better than it has ever been. And in terms of ~~sheer~~ output, American factories have never done better.

Now, there's a lot of talk about competitiveness going around these days -- and these facts and figures are all ways of measuring it.

But competitiveness is more than just the latest trade figures, <sup>or</sup> the latest quarterly earnings -- ~~or~~ the latest poll, <sup>or</sup> the latest election, ~~or the latest Nielsen ratings~~, for that matter. Surely our success can be measured by better methods than these. In your industry, as in mine, this may be a good time for us to look toward a longer horizon.

We stand at a special moment in American history. We are prosperous... and we are at peace.

At such a point, we are ~~empowered -- even required --~~ <sup>must</sup> to set our sights higher. To look farther ahead. It is a time to make choices. A time to answer those questions that will have the farthest-reaching impact on our success as a society.

The 21st century is less than a dozen years away now.

*Leadership is money*

You've called this conference "The New Leadership Summit." Well, ~~things: vision, the ability to lead, the power to inspire, the capacity to defend an agenda for future action.~~ whatever else you think about leadership -- or vision, for that matter -- ~~it's not lofty rhetoric, charisma, or clairvoyance.~~

*Leadership is also found in those who keep the great engines of American industry turning.*  
~~No, it may be as simple as~~ understanding where an

organization finds itself, right now; seeing where it wants to go; and knowing how to get there. Above all, it's playing the long game, whatever the odds -- and playing for keeps. So today I'd like to outline my agenda for the next American century.

To build a better America, one of the most important priorities for this government will be to build savings and long-term investment -- and get our fiscal house in order. This means, ~~first off,~~ bringing down the deficit.

Last month, I submitted a budget to Congress with a clear agenda to cut the Federal deficit, and enhance business' ability to plan, expand, and build. My friends, next year ~~alone,~~ <sup>under current law (over)</sup> Federal ~~tax revenues will rise by more than \$80 billion -- and yes, here~~ <sup>without increasing tax rates.</sup> I go again -- with ~~No New Taxes.~~ Our plan will hold the line on spending, using that revenue to slash the deficit by more than 40 percent -- bringing it down below the mandated targets.

*Gramm-Reed/Clinton-Hollings Deficit  
↑ Gordon  
Whitler  
(McClure)  
x 2230*

To encourage long-range investment and entrepreneurship in businesses of all sizes, it's time we restored the capital gains differential. This is <sup>a</sup> ~~another~~ case where less means more. More

The economic growth we are enjoying will increase

4 000 FY 89-94  
Rev. Inc. of \$9.3 million  
or  
FY 1990  
Gordon Wheeler  
11/22/30  
term?

revenue to the Federal government -- \$4.9 billion more, according to Treasury estimates. More savings, and more investment. More competitive, flexible businesses. More opportunities for innovation. And more jobs for all Americans, including those who have left behind; and who need a chance to work for their fair share of the American dream.

This is no tax break for the rich. It's a fair shake for America.

Insert A

To spur investment in basic research, we've proposed a permanent extension of the research and experimentation tax credit. A 13 percent increase for science and technology programs. And we intend to stay on track in our effort to double the National Science Foundation's budget by 1993.

*A strong economy needs a safe and secure banking system. That is why we proposed a comprehensive plan to solve the difficulties*  
To support capital formation, we will encourage personal savings, and restore the integrity of our nation's savings and loans institutions. Our plan has been well-received on both sides of the aisle on Capitol Hill -- and I've asked for action within 45 days.

We want to ease the pressures now building on the most important organization in America -- the family -- by promoting choice on issues like child care. So last week I sent legislation to Congress that puts money and options in the hands of parents, rather than bureaucracies. Our plan empowers all families: dual earners, single parents, as well as couples which have one parent working outside the home and one working in the home.

that symbolizes our commitment to guaranteeing  
that American technology is number one.

~~remain at home; those who prefer informal, neighborhood arrangements; and especially those on low incomes, struggling to be self-sufficient.~~

*insert b*

~~Lasting self-sufficiency, of course, means quality education. And I see education as long-range planning at its best -- a solution for the next century, for problems we haven't even begun to recognize yet. It is an essential key to our competitive future.~~ Let no one suggest that education is a minor matter on the national agenda. It is vital to everything we are, and can become.

But there are no quick fixes here, either. No stop-gap solutions. Like most of the long-term issues on the national agenda, American education won't be fixed with a bolt of lightning here, a puff of smoke there. It will take collective effort at all levels, public and private, to get it right. Those businesses that are involved with local schools -- developing the workforce at its source -- are making fail-safe investments. And they stand to reap the greatest rewards.

For those workers already on the line, we must build new skills and flexibility as jobs change. ~~By one estimate, 75 percent of all people now working will need some kind of retraining before this century is over.~~ *sketch* The NAM policy position you adopted last year said that "investment in human resources is

at least as important as investment in equipment and technology." And you're absolutely right.

The astounding gains in productivity you've already achieved can be pushed still higher -- but we'll have to look beyond upgrades <sup>of</sup> to plant and equipment. ~~Ever since the 1930s, machine capital has contributed only about 20 percent to productivity.~~ Most of this country's productivity improvements -- and most of our growth in national income -- have been directly linked to labor quality: and that means training, and retraining.

I'm reminding you of something you already know: machinery and technology alone don't improve productivity. People do.

Another issue where we plan to play for keeps: We're determined to get drugs out of the workplace. <sup>and alcohol</sup> Drug abuse in the workplace costs <sup>60</sup> \$00 billion every year, putting productivity and lives at risk. <sup>we are</sup> ~~Bill Bennett is~~ off to a fast start. But we will also be looking to you to set effective, well-reasoned drug policies in your businesses.

Employers can teach their people to recognize the signs of substance abuse in their co-workers -- and understand how drug abuse hurts the non-users on the line.

~~Detail~~  
one sentence on  
drug proposal

H. W. H. & H.

Any long-term agenda must ask how we can leave the earth

we've inherited a little better than when we found it. And, you

know, ~~this is~~ no political litmus test. I think of Teddy

Roosevelt as one of the great conservationists -- one of the

great environmentalists. ~~Our grandchildren should be able to~~

fish on the same lakes we've enjoyed.

The time has come to set aside ~~the~~ partisan approach ~~to~~

these enormous environmental questions. We must devise a global

answer 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 CFCs ~~and~~

as well as adopting a tough new policy on the export of hazardous

waste.

In this agenda for a new American century, I've asked you to

consider a broad vision: long-term savings and investment;

support for the family; education and retraining; stopping drugs;

and cleaning up the environment. But we must rely on more than

legislation.

We must rely on the dynamic spirit that is America. The

spirit that says: Houses should not stand empty, while people

lack shelter. Jobs should not go unfilled, while young men and

*a commitment to a clean environment requires Republicans and Democrats together can ensure that will be able to*

*controlling*

*and the development of environmentally safe substitutes*

women stand idle on street corners. No one should go hungry, in the richest nation on earth.

We must promote local efforts to assure that every American can seize a share of prosperity -- and help to create more of it. Whether through the constellation of local community groups already at work -- or through new ideas, like our program for Youth Engaged in Service -- we will rely less on the collective wallet, and more on collective will.

But this does not mean lowering our sights, or our expectations. Just the opposite. In an era of tight budgets, we are not going to simply "make do with less." We're going to learn how to do more with less -- and do it better. *In the factory, that's called Productivity. Across our ~~many~~ country, that's called national spirit.*

Yes, we are prosperous. And we are at peace. But such quiet moments often become pivotal in a nation's history.

My friends, the choices we make now will determine whether the door to the next American century is closing -- or opening wide, for all who dare to dream.

Thank you. God bless you. And God bless America.

March 20, 1989

MEMORANDUM FOR JIM CICCONI

FROM; DENISE SCHWARZ  
OFFICE OF CABINET AFFAIRS

SUBJECT; PRESIDENTIAL REMARKS; NATIONAL ASSOCIATION OF  
MANUFACTURERS LOG #018102

We have reviewed the attached speech and have indicated the suggested changes.

Attachment

cc: Chriss Winston

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 03/17/89 ACTION/CONCURRENCE/COMMENT DUE BY: C.O.B. Monday 03/20

SUBJECT: PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS

(03/17 5:45 p.m. draft)

	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 type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input 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"/>
<del>BATES</del>	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BENNETT</u>	<input checked="" 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 provide any comments/recommendations to Chriss Winston (Rm. 122, x2930) by close of business on Monday, 03/20, with an info copy to my office. Thanks.

**RESPONSE:**

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

(Lange/Martin)  
March 17, 1989  
5:45 p.m.

1989 MAR 17 PM 7:45

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
WASHINGTON, D.C.  
THURSDAY, MARCH 23, 1989

Thank you, [Dick]. You know, I understand a few of you were concerned about the 1984 Trade Report, heralding the arrival of the "post-industrial" society. And I have to confess, that whenever anyone talks to me about some "post-industrial" society, I have doubts of my own.

Would such a place get along without plumbers, for instance. And if such a society could exist, I wonder if either its pipes or its theories would hold water.

For now, I'm willing to bet my last dollar on manufacturing in America. At least until somebody can show me how to wear a piece of information, or parallel-park a concept.

American manufacturing has been -- and continues to be -- the backbone of this economy. It's been estimated that every new manufacturing job creates three other jobs here at home.

I've been a great admirer of the export-driven, rust-belt renaissance you've kicked off. Last year, the merchandise trade deficit dropped by a fifth. Exports surged to an all-time high. And manufacturing productivity is also now at record levels. The

quality of American exports is arguably better than it has ever been. And in terms of sheer output, American factories have never done better.

Now, there's a lot of talk about competitiveness going around these days -- and these facts and figures are all ways of measuring it.

But competitiveness is more than just the latest trade figures, the latest quarterly earnings -- or the latest poll, the latest election, or the latest Nielson ratings, for that matter. Surely our success can be measured by better methods than these. In your industry, as in mine, this may be a good time for us to look toward a longer horizon.

We stand at a special moment in American history. We are prosperous... and we are at peace.

At such a point, we are empowered -- even required -- to set our sights higher. To look farther ahead. It is a time to make choices. A time to answer those questions that will have the farthest-reaching impact on our success as a society.

The 21st century is less than a dozen years away now.

You've called this conference "The New Leadership Summit." Well, whatever else you think about leadership -- or vision, for that matter -- it's not lofty rhetoric, charisma, or clairvoyance.

No, it may be as simple as understanding where an organization finds itself, right now; seeing where it wants to go; and knowing how to get there. Above all, it's playing the long game, whatever the odds -- and playing for keeps. So today ~~I'm~~<sup>I'd</sup> like to outline my agenda for the next American century.

To build a better America, one of the most important priorities for this government will be to build savings and long-term investment -- and get our fiscal house in order. This means, first off, bringing down the deficit.

Last month, I submitted a budget to Congress with a clear agenda to cut the Federal deficit, and enhance business' ability to plan, expand, and build. My friends, next year alone, Federal tax revenues will rise by more than \$80 billion -- and yes, here I go again -- with No New Taxes. Our plan will hold the line on spending, using that revenue to slash the deficit by more than 40 percent -- bringing it down below the mandated targets.

To encourage long-range investment and entrepreneurship in businesses of all sizes, it's time we restored the capital gains differential. This is another case where less means more. More

revenue to the Federal government -- ~~\$4.3~~<sup>4.8</sup> billion more, <sup>in 1990,</sup> according to Treasury estimates. More savings, and more investment. More competitive, flexible businesses. More opportunities for innovation. And more jobs for all Americans.

This is no tax break for the rich. It's a fair shake for America.

To spur investment in basic research, we've proposed a permanent ~~extension of the~~ research and experimentation tax credit. A 13 percent increase for science and technology programs. And we intend to stay on track in our effort to double the National Science Foundation's budget by 1993.

To support capital formation, we will encourage personal savings, and restore the integrity of our nation's savings and loans institutions. Our plan has been well-received on both sides of the aisle on Capitol Hill -- and I've asked for action within 45 days.

We want to ease the pressures now building on the most important organization in America -- the family -- by promoting choice on issues like child care. So last week I sent legislation to Congress that puts money and options in the hands of parents, rather than bureaucracies. Our plan empowers all families: dual earners, single parents, those who choose to

remain at home; those who prefer informal, neighborhood arrangements; and especially those on low incomes, struggling to be self-sufficient.

Lasting self-sufficiency, of course, means quality education. And I see education as long-range planning at its best -- a solution for the next century, for problems we haven't even begun to recognize yet. It is an essential key to our competitive future. Let no one suggest that education is a minor matter on the national agenda. It is vital to everything we are, and can become.

But there are no quick fixes here, either. No stop-gap solutions. Like most of the long-term issues on the national agenda, American education won't be fixed with a bolt of lightning here, a puff of smoke there. It will take collective effort at all levels, public and private, to get it right. Those businesses that are involved with local schools -- developing the workforce at its source -- are making fail-safe investments. And they stand to reap the greatest rewards.

For those workers already on the line, we must build new skills and flexibility as jobs change. By one estimate, 75 percent of all people now working will need some kind of retraining before this century is over. The NAM policy position you adopted last year said that "investment in human resources is

at least as important as investment in equipment and technology." And you're absolutely right.

The astounding gains in productivity you've already achieved can be pushed still higher -- but we'll have to look beyond upgrades to plant and equipment. Ever since the 1930s, machine capital has contributed only about 20 percent to productivity. Most of this country's productivity improvements -- and most of our growth in national income -- have been directly linked to labor quality: and that means training, and retraining.

I'm reminding you of something you already know: machinery and technology alone don't improve productivity. People do.

Another issue where we plan to play for keeps: We're determined to get drugs out of the workplace. Drug abuse in the workplace costs <sup>600</sup> \$90 billion every year, putting productivity and lives at risk. Bill Bennett is off to a fast start. But we will also be looking to you to set effective, well-reasoned drug policies in your businesses.

Employers can teach their people to recognize the signs of substance abuse in their co-workers -- and understand how drug abuse hurts the non-users on the line.

Any long-term agenda must ask how we can leave the earth we've inherited ~~a little~~ better than when we found it. And, you know, this is no political litmus test. <sup>It's not a Republican issue, not a Democratic issue</sup> I think of Teddy Roosevelt as one of the great conservationists -- one of the great environmentalists. Our grandchildren should be able to fish on the same lakes we've enjoyed.

The time has come to set aside ~~the~~ partisan approach <sup>to</sup> ~~our~~ ~~these enormous~~ environmental questions. We must devise a global answer to the problem of ozone depletion and global warming. We intend to make rapid progress <sup>controlling</sup> on acid rain, and see that a new clean air bill is produced. <sup>\* We must begin to get a handle on the mountains of waste our country produces - recycling, reuse, wish-product</sup> And we've already ~~broken ground in~~ <sup>ed</sup> joining with other nations to call for the elimination of CFCs -- <sup>and development of environmentally safe substitutes</sup> as well as adopting a tough new policy on the export of hazardous waste. And we want our foreign aid + our influence at the world bank + other international financial institutions <sup>to support sustainable economic development - a kind that doesn't strip the forest + pollute the air + water, but makes sense environmentally</sup> <sup>as well as consistently</sup> <sup>- these will be more + more imp. in the years ahead.</sup> In this agenda for a new American century, I've asked you to consider a broad vision: long-term savings and investment; support for the family; education and retraining; stopping drugs; and cleaning up the environment. But we must rely on more than legislation.

We must rely on the dynamic spirit that is America. The spirit that says: Houses should not stand empty, while people lack shelter. Jobs should not go unfilled, while young men and

women stand idle on street corners. No one should go hungry, in the richest nation on earth.

We must promote local efforts to assure that every American can seize a share of prosperity -- and help to create more of it.

Whether through the constellation of local community groups

already at work -- or through new ideas, like our program for

*to encourage*  
*to become involved in community*  
 Youth Engaged in Service -- we will rely less on the collective wallet, and more on collective will.

But this does not mean lowering our sights, or our expectations. Just the opposite. In an era of tight budgets, we are not going to simply "make do with less." We're going to

learn how to do more with less -- and do it better. In the factory, *that's* what productivity is all about. In the country, *that's* what national spirit is all about.

Yes, we are prosperous. And we are at peace. But such quiet moments often become pivotal in a nation's history.

My friends, the choices we make now will determine whether the door to the next American century is closing -- or opening wide, for all who dare to dream.

Thank you. God bless you. And God bless America.



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Office of the Secretary**  
Washington, D.C. 20230

**PROPOSED PARAGRAPH FOR THE PRESIDENT'S  
SPEECH TO THE NATIONAL ASSOCIATION OF MANUFACTURERS**

(Page four, immediately following the second sentence of the second full paragraph.)

"My good friend, Commerce Secretary Bob Mosbacher, is doing his best to increase investment in the area of technology. Now, for the first time ever at the Department of Commerce, there will be an individual serving at the level of Undersecretary for Technology. That's how much emphasis the Bush Administration is putting on this important area."

COMMENT FROM LABOR

National Association of Manufacturers agreed to support President's position on minimum wage today.

THE WHITE HOUSE

WASHINGTON

March 20, 1989

Memorandum to Chriss Winston

From: Roger Porter <sup>RP by RP</sup>  
Jim Pinkerton <sup>P</sup>

Re: NAM draft

The National Association of Manufacturers presents a special challenge. The draft quite rightly emphasizes NAM's heavy industry-orientation, but as written, it lacks a unifying, positive theme. We must uplift this group. We must also galvanize them into action on behalf of the President's Building a Better America agenda.

The suggestions we make are designed to provide a stronger, more focused message to NAM. They have gone through great difficulty and emerged stronger as a result. We should acknowledge their achievements.

We aren't very skilled jokewriters, so we won't suggest a humorous replacement for the first two grafs on pg 1. But they need to be replaced. Lacking the help of Thalia, the muse of comedy, we suggest an opening as prosaic and to-the-point as:

I'm here today to tell you that "deindustrialization" is a myth. Manufacturing, as a share of our national output, is not shrinking. Manufacturing is as great today as it has been in previous decades. Thanks to the hard work of the men and women in this room, who are the brains and muscle of America's basic industries, we are producing more products with a smaller percentage of our population than ever before. That, my friends, is productivity. That is why since 1982, our manufacturing output has gone up twice as fast as Western Europe and has kept pace with Japan.

You are the producers who are Building a Better America every day. Your presence here today demonstrates that you are fighting to win the international struggle for continued growth. You have demonstrated that you can make America more competitive, and that you can keep America more competitive. I'm not saying that you must do it alone. There is a role for government. Sometimes political leadership is needed, for example, to keep international trade free and fair. However, I will tell you that I am absolutely committed to making sure that the government that can help you Build a Better America never turns on you and prevents you from Building a Better America.

2-2-2

Here are some specific comments:

Pg 1, graf 4 lines 2-3 We would like to see the documentation for the assertion about the manufacturing jobs multiplier. This is an extremely disputatious subject. We want to be absolutely sure that we are on solid empirical ground. ✓

1,5,1 We should never ask the President to say "rust belt." NAM members will view this as insulting. We suggest substituting "manufacturing." ✓

2,1,1 American exports aren't "arguably" better. They are better! ✓

2,3,3 Delete the reference to "Nielson (sic) ratings," which are not a White House concern. ✓

2,5,1 We are overusing the word "empowered." Let's save that important word/concept for better occasions, such as when we describe our efforts to help the poor help themselves and expand their choices. Simply use "must." ✓

3,1,2-3 We simply don't agree with the minimalist definition of leadership offered here. Granted, a good president does not necessarily have "clairvoyance." But he or she certainly should possess a good speaking ability and the power to inspire. We suggest rewriting as follows: "Leadership is many things: vision, the ability to lead, the power to inspire, the capacity to define an agenda for future action." ✓

Then, in the next paragraph, start with: "Leadership is also found in those who keep the great engines of American industry turning..." ✓

3,4,3 We suggest the following streamlining: "My friends, next year, under current law, the economic growth we are enjoying will increase federal revenues by more than \$80 billion without increasing tax rates." ✓

3,3,4 "first off" is unpresidential. Presidents have "priorities." Reducing the deficit is the President's first priority. ✓

3,5,3 We like the "less is more" formulation. But what is the antecedent of "another"? Gropius? We suggest deleting "another." ✓

In fact, we volunteer the following as a complete rewrite:

*delet this  
imply  
that "economic  
growth" is  
governed by  
"current law"  
?*

"While bringing the deficit down, there is more we can do to enhance the ability of American industry to grow and compete: lower the capital gains tax rate. I call on those who spend their time talking about American competitiveness to join with me and take strong action. America's biggest international competitors: Japan, Germany, the "four dragons" of East Asia, all have exempted capital gains from tax. Why not give American entrepreneurs and manufacturers a better chance to compete with their overseas competitors?"

"There is another reason, close to the heart of our success as a society, for cutting the capital gains rate: opportunity. Many of the companies you represent are big now, but they weren't always so. When your companies were founded, some entrepreneur had to trade his stake in his company for the capital he needed to get started. The ones who were successful made a capital gain. The promise of gain is the key to opportunity, the key to all the new business of today which will be the big business, the job creators of tomorrow.

"Besides, we want to encourage American investors and managers to save and invest for the long term. The capital gains proposal I sent to Capitol Hill will do just that.

*went A*

"Competitiveness, Opportunity, Saving and Investing for the Long Term -- this is why we need a capital gains tax rate cut. It's why we need one now."

4,1,4 We continue to believe that we need to emphasize the good that capital gains tax reduction will do for the poor. So we would add, after "Americans," the following: "including those who have been left behind; and who need a chance to work for their fair share of the American Dream."

4,3,4 The words "to stay on the track in our effort" are unnecessary. The sentence reads better without these eight words.

4,4,1 This line about encouraging savings does not correlate with any specific item on our agenda and confuses the issue of the S&L bailout. We suggest deletion, lest people over-interpret what we say. We would rewrite: "A strong economy needs a safe and secure banking system. That is why we proposed a comprehensive plan to solve the difficulties of our savings and loans. Our plan has been..."

4-4-4

4,5,6 This is imprecise. "Our plan empowers all low income working families: dual earners and single parents, as well as couples which have one parent working outside the home and one working in the home.

*msent*  
*↳*  
5,2,1 Having completed our child care insert, it is now time to get back to the heart of our message to the NAM: that they are at the forefront of the struggle to keep America #1. Thus: "But the real key to long-term competitiveness is education. A strengthened education system is the essential ingredient for America's prosperity into the next decade and the next century." We would scrap the "long-range planning," which is just too easy to misinterpret.

6,2,3 Change "upgrades to" to "upgrades of."

6,4,4 We hope we never lose sight of the fact that the President is the one who is off to the fast start. At the same time, we hope that we can provide more specifics as to what the President will do. Also, we should detail a little more what we expect the private sector to do.

→ subst. "most powerful" # -- didn't want to imply that child care needs are "unreal."

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF MANUFACTURERS  
MAYFLOWER HOTEL  
THURSDAY, MARCH 23, 1989  
1:27 P.M.

THANK YOU, [DICK]. WELCOME TO WASHINGTON -- THE CITY ABOUT WHICH HARRY TRUMAN SAID, "IF YOU WANT A FRIEND IN WASHINGTON, BUY A DOG." I'M HERE TO SAY, "NOT SO!" I VIEW MANUFACTURERS AND OTHER BUSINESS PEOPLE AS FRIENDS -- AND I AM GRATEFUL FOR THAT.

---

- 2 -

YOU KNOW, AFTER ONE TOUGH FOOTBALL GAME, SOMEBODY ASKED KNUTE ROCKNE WHY NOTRE DAME HAD LOST. HE ANSWERED, "I WON'T KNOW UNTIL MY BARBER TELLS ME ON MONDAY."

WELL, NOBODY'S SECOND-GUESSING AMERICAN MANUFACTURING ANYMORE. CLEARLY, YOU'RE PLAYING A WINNING GAME.

---

I'M HERE TODAY TO TELL YOU THAT "DE-INDUSTRIALIZATION" IS A MYTH. MANUFACTURING, AS A SHARE OF OUR NATIONAL OUTPUT, IS AS STRONG TODAY AS IT HAS EVER BEEN.

THANKS TO THE HARD WORK OF THE MEN AND WOMEN IN THIS ROOM --WHO ARE THE BRAINS AND MUSCLE OF AMERICA'S BASIC INDUSTRIES -- WE ARE PRODUCING MORE PRODUCTS WITH A SMALLER PERCENTAGE OF OUR POPULATION THAN EVER BEFORE.

THAT, MY FRIENDS, IS PRODUCTIVITY. THAT IS WHY SINCE 1982, OUR MANUFACTURING OUTPUT HAS GONE UP TWICE AS FAST AS WESTERN EUROPE AND HAS KEPT PACE WITH JAPAN.

YOU ARE THE PRODUCERS WHO ARE BUILDING A BETTER AMERICA EVERY DAY. YOUR PRESENCE HERE TODAY DEMONSTRATES THAT YOU ARE FIGHTING TO WIN THE INTERNATIONAL STRUGGLE FOR CONTINUED GROWTH. YOU HAVE DEMONSTRATED THAT YOU CAN MAKE AMERICA MORE COMPETITIVE -- AND THAT YOU CAN KEEP AMERICA MORE COMPETITIVE.

Now, I'M NOT SAYING YOU'RE GOING TO HAVE TO DO IT ALONE. THERE IS A ROLE FOR GOVERNMENT. SOMETIMES POLITICAL LEADERSHIP IS NEEDED -- FOR EXAMPLE, TO KEEP INTERNATIONAL TRADE FREE AND FAIR. HOWEVER, I WILL TELL YOU THAT THIS GOVERNMENT WILL NOT CONFUSE INVOLVEMENT WITH INTERFERENCE.

THERE'S A LOT OF TALK ABOUT COMPETITIVENESS GOING AROUND THESE DAYS.

BUT COMPETITIVENESS IS MORE THAN JUST THE LATEST TRADE FIGURES, OR THE LATEST QUARTERLY EARNINGS -- OR THE LATEST POLL OR THE LATEST ELECTION, FOR THAT MATTER.

SURELY OUR SUCCESS CAN BE MEASURED BY BETTER METHODS THAN THESE. IN YOUR INDUSTRY, AS IN MINE, THIS MAY BE A GOOD TIME FOR US TO LOOK TOWARD A LONGER HORIZON.

WE STAND AT A SPECIAL MOMENT IN AMERICAN HISTORY.  
WE ARE PROSPEROUS... AND WE ARE AT PEACE.

AT SUCH A POINT, WE MUST SET OUR SIGHTS HIGHER. WE  
MUST LOOK FARTHER AHEAD. THE 21ST CENTURY IS LESS THAN  
A DOZEN YEARS AWAY NOW.

YOU'VE CALLED THIS CONFERENCE "THE NEW LEADERSHIP  
SUMMIT." LEADERSHIP IS CERTAINLY FOUND IN THOSE LIKE  
YOU WHO KEEP THE GREAT ENGINES OF AMERICAN INDUSTRY  
TURNING.

IN CREATING JOBS, BUILDING BUSINESSES AND MEETING  
NEEDS, OUR NATION'S MANUFACTURERS HAVE SHOWN THE  
QUALITIES THAT WILL CARRY US INTO THE FUTURE. AND MAKE  
NO MISTAKE, THE CHALLENGES WE FACE WILL TEST YOUR  
VISION AND YOUR CAPACITY TO DEFINE AN AGENDA FOR  
ACTION.

TODAY, I'D LIKE TO ADDRESS THAT VERY POINT BY  
OUTLINING MY AGENDA FOR THE NEXT AMERICAN CENTURY.

TO BUILD A BETTER AMERICA, ONE OF THE MOST IMPORTANT PRIORITIES FOR THIS GOVERNMENT WILL BE TO ENCOURAGE SAVINGS AND LONG-TERM INVESTMENT -- AND GET OUR FISCAL HOUSE IN ORDER. THIS MEANS BRINGING DOWN THE DEFICIT.

LAST MONTH, I SUBMITTED A BUDGET TO CONGRESS WITH A CLEAR AGENDA TO CUT THE FEDERAL DEFICIT, AND ENHANCE BUSINESS' ABILITY TO PLAN, EXPAND, AND BUILD.

MY FRIENDS, NEXT YEAR, UNDER CURRENT LAW, THE ECONOMIC GROWTH WE ARE ENJOYING WILL INCREASE FEDERAL REVENUES BY MORE THAN \$80 BILLION WITHOUT INCREASING TAX RATES. OUR PLAN WILL HOLD THE LINE ON SPENDING, USING SOME OF THOSE NEW REVENUES TO SLASH THE DEFICIT BY MORE THAN 40 PERCENT -- AND BRING IT DOWN BELOW THE MANDATED GRAMM-RUDMAN-HOLLINGS TARGETS.

TO ENCOURAGE LONG-RANGE INVESTMENT AND ENTREPRENEURSHIP IN BUSINESSES OF ALL SIZES, IT'S TIME WE RESTORED THE CAPITAL GAINS DIFFERENTIAL -- BY REDUCING THE CAPITAL GAINS RATE TO 15 PERCENT ON LONG-HELD ASSETS. THIS IS A CASE WHERE LESS MEANS MORE. MORE REVENUE TO THE FEDERAL GOVERNMENT -- \$4.8 BILLION MORE IN 1990, ACCORDING TO TREASURY ESTIMATES.

THE CRITICS SAY, "TAX CUT FOR THE RICH." I SAY, CUT THE CAPITAL GAINS RATE AND YOU'LL HAVE MORE JOBS FOR THE POOR -- AND OTHERS -- AND MORE GROWTH AND OPPORTUNITY FOR THE WHOLE COUNTRY.

COMPETITIVENESS, OPPORTUNITY, SAVING, AND INVESTING FOR THE LONG TERM -- THIS IS WHY WE NEED A CAPITAL GAINS TAX RATE CUT. IT'S WHY WE NEED ONE NOW.

TO SPUR INVESTMENT IN BASIC RESEARCH, WE'VE PROPOSED A PERMANENT RESEARCH AND EXPERIMENTATION TAX CREDIT. WE'VE ALSO PROPOSED A 13 PERCENT INCREASE FOR SCIENCE AND TECHNOLOGY PROGRAMS, AND INTEND TO DOUBLE THE NATIONAL SCIENCE FOUNDATION'S BUDGET BY 1993 TO GUARANTEE THAT AMERICA'S TECHNOLOGY IS NUMBER ONE.

A STRONG ECONOMY NEEDS A SAFE AND SECURE BANKING SYSTEM. THAT IS WHY WE PROPOSED A COMPREHENSIVE PLAN TO SOLVE THE DIFFICULTIES OF OUR SAVINGS AND LOANS.

OUR PLAN HAS BEEN WELL-RECEIVED ON BOTH SIDES OF THE AISLE ON CAPITOL HILL -- AND I'VE ASKED FOR ACTION WITHIN 45 DAYS.

WE WANT TO EASE THE PRESSURES NOW BUILDING ON THE MOST IMPORTANT ORGANIZATION IN AMERICA -- THE FAMILY -- BY PROMOTING CHOICE ON ISSUES LIKE CHILD CARE.

SO LAST WEEK I SENT LEGISLATION TO CONGRESS THAT PUTS MONEY AND OPTIONS IN THE HANDS OF PARENTS, RATHER THAN BUREAUCRACIES.

BUT THE MOST POWERFUL KEY TO LONG-TERM COMPETITIVENESS IS EDUCATION. A STRENGTHENED EDUCATION SYSTEM IS THE ESSENTIAL INGREDIENT FOR AMERICA'S PROSPERITY INTO THE NEXT DECADE AND THE NEXT CENTURY. LET NO ONE SUGGEST THAT EDUCATION IS A MINOR MATTER ON THE NATIONAL AGENDA.

IT IS VITAL TO EVERYTHING WE ARE, AND CAN BECOME.

BUT THERE ARE NO QUICK FIXES HERE, EITHER. LIKE MOST OF THE LONG-TERM ISSUES ON THE NATIONAL AGENDA, AMERICAN EDUCATION WON'T BE FIXED WITH A BOLT OF LIGHTNING HERE, A PUFF OF SMOKE THERE. IT WILL TAKE COLLECTIVE EFFORT AT ALL LEVELS, PUBLIC AND PRIVATE, TO GET IT RIGHT. THOSE BUSINESSES THAT ARE INVOLVED WITH LOCAL SCHOOLS -- DEVELOPING THE WORKFORCE AT ITS SOURCE -- ARE MAKING FAIL-SAFE INVESTMENTS.

AND THEY STAND TO REAP THE GREATEST REWARDS.

FOR THOSE WORKERS ALREADY ON THE LINE, WE MUST BUILD NEW SKILLS AND FLEXIBILITY AS JOBS CHANGE, THROUGH TRAINING AND RE-TRAINING. THE NAM POLICY POSITION YOU ADOPTED LAST YEAR SAID THAT "INVESTMENT IN HUMAN RESOURCES IS AT LEAST AS IMPORTANT AS INVESTMENT IN EQUIPMENT AND TECHNOLOGY." AND YOU'RE ABSOLUTELY RIGHT. MACHINERY AND TECHNOLOGY ALONE DON'T IMPROVE PRODUCTIVITY. PEOPLE DO.

ANOTHER ISSUE WHERE WE PLAN TO PLAY FOR KEEPS: WE'RE DETERMINED TO GET DRUGS OUT OF THE WORKPLACE. DRUG AND ALCOHOL ABUSE IN THE WORKPLACE COSTS \$60 BILLION EVERY YEAR, PUTTING PRODUCTIVITY AND LIVES AT RISK.

DRUG ABUSE IN AMERICA MUST STOP -- AND WE ARE OFF TO A FAST START. LAST MONTH I SPOKE TO CONGRESS ABOUT FOUR DECISIVE ISSUES: EDUCATION, TREATMENT, INTERDICTION, AND ENFORCEMENT.

AND I ASKED FOR AN INCREASE OF \$1 BILLION IN BUDGET OUTLAYS -- TO NEARLY \$6 BILLION IN 1990 -- TO ESCALATE OUR EFFORT. BUT WE WILL ALSO BE LOOKING TO YOU TO SET EFFECTIVE, WELL-REASONED DRUG POLICIES IN YOUR BUSINESSES.

EMPLOYERS CAN TEACH THEIR PEOPLE TO RECOGNIZE THE SIGNS OF SUBSTANCE ABUSE IN THEIR CO-WORKERS -- AND UNDERSTAND HOW DRUG ABUSE HURTS THE NON-USERS ON THE LINE.

I'VE CALLED FOR A DRUG-FREE WORKPLACE. TUESDAY'S SUPREME COURT DECISION AFFIRMING DRUG-TESTING WILL GIVE THIS CONCEPT A MUCH BETTER CHANCE OF SUCCESS.

ANY LONG-TERM AGENDA MUST ALSO ASK HOW WE CAN LEAVE THE EARTH WE'VE INHERITED A LITTLE BETTER THAN WHEN WE FOUND IT. WE MUST DEVISE ANSWERS TO THE PROBLEMS OF OZONE DEPLETION, GLOBAL WARMING, AND ACID RAIN.

WE'VE ALREADY JOINED WITH OTHER NATIONS TO CALL FOR THE ELIMINATION OF CFCs AND THE DEVELOPMENT OF ENVIRONMENTALLY SAFE SUBSTITUTES -- AS WELL AS ADOPTING A TOUGH NEW POLICY ON THE EXPORT OF HAZARDOUS WASTE. WE CAN DO THESE THINGS WITHOUT STIFLING THE ECONOMIC GROWTH THAT IS NECESSARY FOR OUR NATION'S ECONOMIC HEALTH.

THE TIME HAS COME TO SET ASIDE PARTISAN APPROACHES TO THESE AND OTHER ENORMOUS ENVIRONMENTAL QUESTIONS.

WE MUST ENSURE THAT OUR GRANDCHILDREN CAN FISH ON THE SAME LAKES WE'VE ENJOYED.

IN THIS AGENDA FOR A NEW AMERICAN CENTURY, I'VE ASKED YOU TO CONSIDER A BROAD VISION: A VISION THAT RELIES ON THE DYNAMIC SPIRIT THAT IS AMERICA. THE SPIRIT THAT SAYS: BUILDINGS SHOULD NOT STAND EMPTY, WHILE PEOPLE LACK SHELTER. JOBS SHOULD NOT GO UNFILLED, WHILE YOUNG MEN AND WOMEN STAND IDLE ON STREET CORNERS.

NO ONE SHOULD GO HUNGRY, IN THE RICHEST NATION ON EARTH.

WE MUST PROMOTE LOCAL EFFORTS TO ASSURE THAT EVERY AMERICAN CAN SEIZE A SHARE OF PROSPERITY -- AND HELP TO CREATE MORE OF IT. WHETHER THROUGH THE CONSTELLATION OF LOCAL COMMUNITY GROUPS ALREADY AT WORK -- OR THROUGH NEW IDEAS, LIKE OUR PROGRAM TO ENCOURAGE OUR NATION'S YOUTH TO BECOME INVOLVED IN COMMUNITY SERVICE:

WE WILL RELY LESS ON THE COLLECTIVE WALLET, AND MORE ON COLLECTIVE WILL.

BUT THIS DOES NOT MEAN LOWERING OUR SIGHTS, OR OUR EXPECTATIONS. JUST THE OPPOSITE. IN AN ERA OF TIGHT BUDGETS, WE ARE NOT GOING TO SIMPLY "MAKE DO WITH LESS." WE'RE GOING TO LEARN HOW TO DO MORE WITH LESS - - AND DO IT BETTER. IN THE FACTORY, THAT'S CALLED PRODUCTIVITY. ACROSS OUR COUNTRY, THAT'S CALLED NATIONAL SPIRIT.

- 25 -

YES, WE ARE PROSPEROUS. AND WE ARE AT PEACE. BUT SUCH QUIET MOMENTS OFTEN BECOME PIVOTAL IN A NATION'S HISTORY.

MY FRIENDS, THE CHOICES WE MAKE NOW WILL DETERMINE WHETHER THE DOOR TO THE NEXT AMERICAN CENTURY IS CLOSING -- OR OPENING WIDE, FOR ALL WHO DARE TO DREAM.

THANK YOU. GOD BLESS YOU. AND GOD BLESS AMERICA.

# # #