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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

OA/ID Number: 13481
Folder ID Number: 13481-003

Folder Title:
American Business Conference, 4/4/89 [2]

Stack:	Row:	Section:	Shelf:	Position:
G	25	6	2	1

MASTER I

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/30/89 ACTION/CONCURRENCE/COMMENT DUE BY: 3/31/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: AMERICAN BUSINESS CONFERENCE

	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 type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT <i>away</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 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, no later than NOON, Friday, March 31, 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

(Lange/Martin)
March 30, 1989
1:30 p.m.

PRESIDENTIAL REMARKS: AMERICAN BUSINESS CONFERENCE
ROOM 450, OLD EXECUTIVE OFFICE BLDG.
TUESDAY, APRIL 4, 1989
2:00 P.M.

I've met with this group three times, over the last eight years -- and every meeting has been a resounding success. So I've got a mind to ask: Why can't we equal or exceed that kind of contact over the next eight years?

Among the many close friends I have in the ABC, I'd like to mention your former vice chairman, now Commerce Secretary, Bob Mosbacher. Like all of you, he knows what it means to take risks, to build a business, and to keep America first. He's already doing a superb job. *as a member of my team*

To be sitting in this room today, as ABC members, you've had to keep your earnings at three times the growth of the economy, plus inflation. Now, if Bob can just make that happen for every business in America... I'll make him the Business Czar and we can all go fishing.

You run the kind of high-growth businesses that represent the most dynamic, entrepreneurial segment of the American economy. And this government knows better than to fix what's already working.

*Gordon
Wester*

So this afternoon I'm going to address two areas of concern to you: the economics of enterprise -- and the imperative for education reform.

For anyone running a business, sound investment and flexibility in the marketplace are more important than ever. Your concern about a lack of savings is clearly motivated by a lack of domestic investment capital for American industry. Now, the personal savings rate has hit 5.2 percent or better for the past three months. That's good news. But we cannot relax.

The working paper you released last month on overconsumption was another reminder that the deficit must be brought under control. So let me reassure you -- this government will not become the fiscal equivalent of Overeaters Anonymous. Accountability in government demands that we put an end to this spending spiral.

You know, when George Kaufman -- that famous wit from the Algonquin Round Table -- was at a party, he heard a self-made millionaire boasting to a circle of people, "I was born into the world without a single penny." And Kaufman answered, "Oh really. When I was born, I owed twelve dollars."

Well, we don't have to let the deficit play a cruel joke

future generations. Next year alone, federal tax revenues will rise by more than \$80 billion. And we're going to use those funds to bring the deficit down below the Gramm-Rudman-Hollings targets. Discussions w/ Congressional leaders on the budget have thus far been constructive on a # of fronts - Rscal and otherwise.

To spur greater investment in American business, we need to bring our taxation of capital gains down -- in line with that of our trading partners. In the budget we've proposed to Congress, we want to restore the differential to 15 percent on long-held assets.

How many of you, as you built your businesses, were able to just walk up to a bank and get equity? Few, if any. Most of you probably raised capital by offering people a share of the business -- and a stake in the outcome.

Cutting the capital gains rate means more of that can happen. It will give businesses more of the capital they need to grow. It will bring in \$4.3 billion more in tax revenues, according to the Treasury. And it will create more new jobs.

That's no tax break for the rich. That's a fair shake for every American.

~~The budget consultations are being held behind closed doors; so I can't tell you how they're going. But we're determined to~~

Gordon
Wheeler

Gordon
Wheeler

work with this Congress -- we're counting on their cooperation, to find answers we can all live with.

We want to build on the energy and initiative of American business -- and we're determined to avoid burdensome mandates that only enforce solutions of uniform mediocrity. We don't want to limit the flexibility of managers and workers, who are trying to find their own best solutions. And you know, many are already succeeding.

Chamber of Commerce estimates suggest that workers are receiving more fringe benefits than ever before. Total benefits in 1987 were up 163 percent in a decade. And it is the market -- not government -- that is responsible for this growth.

Nearly eighty percent of growth in the fringe share of compensation is due to voluntary action by employers. Only 21 percent is due to government requirements. We want to keep it that way.

A "mandated benefit" is a contradiction in terms. How would you feel if your doctor said, "Well, nothing's broken... but we're going to put you in a full-body cast anyway." No thanks.

A hallmark of this administration will be its focus on the future -- and the importance we attach to making the right kinds

of investment. You don't make your money on short-term, day-to-day trades -- you make it through sound long-term planning.

There can be no investment more urgent -- or more compelling for the future of American business, and this country as a whole, than education. In this, all of us have a stake in the outcome.

As labor markets get tighter in the coming years, many of you are going to be facing shortages of skilled people. Some managers are already worried about a scarcity of science and engineering graduates. And you've all read the surveys that show Pacific Rim students outperforming our own.

Our best students can compete with anyone in the world. We're not on the verge of some intellectual brown-out. But in order to give business more of the people it needs to compete -- to help build America's prosperity -- and to give more of our young people the skills they need to share in that prosperity -- we have made education a national priority.

Tomorrow, I will send to the Congress an education package. We want to reward merit schools that make progress in terms of raising student achievement, and reducing drug use and drop-out rates. We're promoting parental choice and educational quality, through magnet schools of excellence.

We want to provide alternative certification of teachers and principals, to broaden the pool of talent available; President's Awards to outstanding teachers; Urban Emergency Grants to provide comprehensive help in fighting drugs for school districts under seige; a National Science Scholars program for high school seniors; and additional endowment matching grants for historically black colleges and universities, which occupy a unique and vital position in American higher education.

We are committed to a program of education reform that will give our young people a solid foundation for the future. But to make lasting improvements in education, we'll need to get all of the players -- superintendents and administrators, school boards, local business leaders, teachers' unions -- around the table, working together.

This will demand accountability from all of us. It will require the best kind of collective effort, from all directions -- but it holds the promise of real progress.

Many of you have been prime movers, spending a remarkable amount of your own time making good on that promise. More than a third of you serve on local school boards, public or private -- or on the board of a local college or university.

Others among you have established a program with a local community college, or "adopted" a school, or taught part-time, or promoted science education across a school district. That's the kind of involvement that, while it isn't always easy, leads to the kind of educational reform that lasts. Consider yourself one in a thousand -- you know, points of light.

By investing your time and talents toward the education of our young people, you're helping to bring about something vital -- a fundamental cultural shift, that reasserts the value of learning in this country.

You're breathing new life into an idea that has always been a testament to the American spirit: that doing well demands doing good.

Nothing I might tell you would say it better than your own mission statement, which says ABC executives "believe their own business success carries with it a responsibility to help expand economic opportunity throughout the economy."

As business leaders, you understand the power of interests held in common. Education is the one investment that guarantees economic opportunity -- for every individual, and every business in America. Thank you. And God bless you.

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on future generations. Next year alone, federal tax revenues will rise by more than \$80 billion. And we're going to use those funds to bring the deficit down below the Gramm-Rudman-Hollings targets.

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BATE'S AS

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THE WHITE HOUSE
WASHINGTON



March 31, 1989

MEMORANDUM FOR CHRISS WINSTON
ASSISTANT TO THE PRESIDENT FOR COMMUNICATIONS

FROM: ROBERT J. PORTMAN *RJP*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: American Business
Conference

Pursuant to your staffing memorandum of March 30, 1989, Counsel's Office has reviewed the above-referenced draft remarks. We have no legal objection to the content of these remarks.

Thank you for bringing this matter to our attention.

cc: James W. Cicconi

March 31, 1989

MEMORANDUM FOR JIM CICCONI

FROM; DENISE SCHWARZ
OFFICE OF CABINET AFFAIRS

SUBJECT; PRESIDENTIAL REMARKS; AMERICAN BUSINESS
CONFERENCE

LOG #021969SS

We have reviewed the attached and have incorporated our
comments.

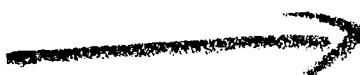
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Cutting the capital gains rate means more of that can happen. It will give businesses more of the capital they need to grow. It will bring in \$4.⁸~~7~~ billion more in tax revenues, in 1990, according to the Treasury. And it will create more new jobs.

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Chamber of Commerce estimates suggest that workers are receiving more fringe benefits than ever before. Total benefits in 1987 were up 163 percent in a decade. And it is the market -- not government -- that is responsible for this growth.

Nearly eighty percent of growth in the fringe share of compensation is due to voluntary action by employers. Only 21 percent is due to government requirements. We want to keep it that way.

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of investment. You don't make your money on short-term, day-to-day trades -- you make it through sound long-term planning.

There can be no investment more urgent -- or more compelling for the future of American business, and this country as a whole, than education. In this, all of us have a stake in the outcome.

As labor markets get tighter in the coming years, many of you are going to be facing shortages of skilled people. Some managers are already worried about a scarcity of science and engineering graduates. And you've all read the surveys that show Pacific Rim students outperforming our own.

Our best students can compete with anyone in the world. We're not on the verge of some intellectual brown-out. But in order to give business more of the people it needs to compete -- to help build America's prosperity -- and to give more of our young people the skills they need to share in that prosperity -- we have made education a national priority.

Tomorrow, I will send to the Congress an education package. We want to reward merit schools that make progress in terms of raising student achievement, and reducing drug use and drop-out rates. We're promoting parental choice and educational quality, through magnet schools of excellence.

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Others among you have established a program with a local community college, or "adopted" a school, or taught part-time, or promoted science education across a school district. That's the kind of involvement that, while it isn't always easy, leads to the kind of educational reform that lasts. Consider yourself one in a thousand -- you know, points of light.

By investing your time and talents toward the education of our young people, you're helping to bring about something vital -- a fundamental cultural shift, that reasserts the value of learning in this country.

You're breathing new life into an idea that has always been a testament to the American spirit: that doing well demands doing good.

Nothing I might tell you would say it better than your own mission statement, which says ABC executives "believe their own business success carries with it a responsibility to help expand economic opportunity throughout the economy."

As business leaders, you understand the power of interests held in common. Education is the one investment that guarantees economic opportunity -- for every individual, and every business in America. Thank you. And God bless you.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/30/89 ACTION/CONCURRENCE/COMMENT DUE BY: 3/31/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: AMERICAN BUSINESS CONFERENCE

	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 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 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, no later than NOON, Friday, March 31, 1989, with an info copy to my office. Thank you.

RESPONSE: *Changes phoned in on master*

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

1989 (Lange/Martin)
March 30, 1989
1:30 p.m.

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ROOM 450, OLD EXECUTIVE OFFICE BLDG.
TUESDAY, APRIL 4, 1989
2:00 P.M.

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future generations. Next year alone, federal tax revenues will rise by more than \$80 billion. And we're going to use those funds to bring the deficit down below the Gramm-Rudman-Hollings targets. *Discussions with congressional leaders have thus far been constructive on a number of front-fiscal and otherwise.*

To spur greater investment in American business, we need to bring our taxation of capital gains down -- in line with that of our trading partners. In the budget we've proposed to Congress, we want to restore the differential to 15 percent on long-held assets.

How many of you, as you built your businesses, were able to just walk up to a bank and get equity? Few, if any. Most of you probably raised capital by offering people a share of the business -- and a stake in the outcome.

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Ext. 2702

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1:30 p.m.
1989 MAR 30 PM 2:30

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