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# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.**

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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:** 13484  
**Folder ID Number:** 13484-003

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**Folder Title:**  
Ford Aerospace, 4/25/89 [1]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>26</b>	<b>15</b>	<b>6</b>	<b>7</b>

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Determined To Be an Administrative  
Marking Per E.O. 12356 Sec. 1.1 (a)

*RMK 9/27/04*

~~CONFIDENTIAL~~

CLASSIFICATION

CIRCLE ONE BELOW

MODE

PAGES 13

IMMEDIATE

SECURE FAX # 05

DTG 23 1304Z Apr 89

PRIORITY

ADMIN FAX # \_\_\_\_\_

RELEASER *[Signature]*

ROUTINE

RECORD # \_\_\_\_\_

FROM/LOCATION

1. Jim McBRIDE

TO/LOCATION/TIME OF RECEIPT

1. Jim Cicconi

2. \_\_\_\_\_

3. \_\_\_\_\_

4. TOR: 23 1314Z APR 89

5. \_\_\_\_\_

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INFORMATION ADDRESSEES/LOCATION/TIME OF RECEIPT

1. \_\_\_\_\_

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SPECIAL INSTRUCTIONS/REMARKS:

~~DECLASSIFIED~~

White House Guidelines

E.O. 12958, SEC 3.4 (B), August 28, 1997

By *RMK* NARA, Date 9/27/04

SITUATION ROOM

89 APR 23 11:58

WHITE HOUSE

~~CONFIDENTIAL~~

CLASSIFICATION

Photo Copy Preservation

THE WHITE HOUSE

WASHINGTON

APRIL 20, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: CURT SMITH *CS*

THROUGH: CHRISS WINSTON *cw*

SUBJECT: FORD AEROSPACE ADDRESS

*OA  
with changes  
CSB  
4-23*

I. SUMMARY

At 9:30 A.M., Tuesday, April 25, you will address 750 Ford Aerospace workers on the company's plant ground. You will be flanked by two mock satellites and a banner reading, "Competitiveness Through Quality."

II. DISCUSSION

The remarks focus on investments -- e.g.. lower capital gains taxes, more funds for space, the Superbird satellite, child care -- which can create a more competitive America. In particular, the text contains humorous references to California sports teams and figures which should play well with the audience.

(Smith/Martin)  
April 19, 1989  
Draft Four  
PALO

PRESIDENTIAL REMARKS: FORD AEROSPACE  
PALO ALTO, CALIFORNIA  
APRIL 25, 1989

Thank you for that introduction, and for your generous welcome. It is a pleasure to be in the Bay Area, and among friends.

You know, I realize I'm taking a chance by quoting him in Northern California. But it was that noted gourmet, Dodgers manager Tommy Lasorda, who conceded, "I'm on a sea-food diet. I eat all the food I can see."

Tommy's not like most of us: He never met a meal he didn't like. And if you ask, he'll insist that food ranks among his most precious investments. It uplifts his performance, mentally and physically. It enhances his ability to compete and, indirectly, to keep the Dodgers No. 1.

I'm sure you've all heard the old saying, "Never invest your money in anything that eats or needs repainting."

Well, today, I want to talk about a different kind of investment. Investments which prize the new horizons of America's technological future. Investments which can create new jobs, unlock new markets, and unleash new technologies. Investments, in short, which will make us more competitive and keep America No. 1.

In a sense, this attitude is typically American. For we are, at heart, a competitive people. We measure life by today's Dow Jones average [LOOK AT WATCH] . . . 9:30 a.m., up \_\_\_ points. Or by how <sup>we?</sup> our ball club did <sup>in 1989</sup> ~~last night~~ . . . <sup>lose</sup> A's, 4-1 . . . <sup>Angel</sup> ~~Giants~~, 4-3 . . . <sup>Dodgers 9 runs</sup> ~~Dodgers, beaten 8-5~~ . . . Sorry, ~~Tenn~~ <sup>9 runs</sup> folks.

As Americans, we expect short-term results. And, historically, we get them. Government's role is to unleash America's ambition -- to make us more competitive -- by pointing toward the 21st Century, ensuring long-term results.

*The best investment*

*is* ~~That is why our Administration is investing~~ in the future by ~~slashing~~ the Federal deficit. Every dollar the government does not borrow means more capital available for investment.

*an important*

Recently, I unveiled a <sup>an</sup> bipartisan budget agreement with Congress to reduce the deficit. Our accord will narrow it to \$99.4 billion in the fiscal year that begins October 1. That's far below the \$163 billion estimated for the current fiscal year.

✓  
*agreed*

Now, this plan's an <sup>^</sup>outline -- tough talks still lie ahead. And we will resume consultations soon on a plan aimed at balancing the budget by 1993.

Think of deficit reduction as exercise, like walking the dog every day . . . believe me, I know. Exercise keeps you at the top of your game. And so will another investment to build a more competitive America -- one of many I'll be asking the Congress to make. I refer to restoring the capital gains differential -- a step which, according to Treasury estimates, will raise \$4.8 billion in new revenue.

Consider, on the one hand, those countries which cripple opportunity. They know, first-hand, the damage caused by excessive taxation on capital gains. Then consider that our second-largest trading partner, Japan, has taxed them little, if at all.

✓  
The lesson is self-evident: Restoring the capital gains differential will make America more competitive. Our plan supports reducing it to 15 per cent on long-held assets. So, let us act to lift revenue, help savings, and free American businesses, without distorting world markets.

*Make some ref always opportunity*

*opportunities (import this)*

↓

*The opposition ridicules cutting the Capital Gains tax as a tax for the rich. This are dead wrong. What it really*

Photo Copy Preservation

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You know, ordinarily I take statistics with a grain of salt. I've seen too many political polls go up and down. Perhaps the late, great Woody Hayes put it best: "Statistics," he said, "always remind me of the fellow who drowned in a river whose average depth was only three feet."

But one statistic does bear reciting. Since November 1982, nearly 20 million new jobs have been created in this country. Many have been created right here in Silicon Valley. Well, through investments to increase competitiveness, we can do still better.

For instance, we've proposed a permanent extension of the Research and Experimentation tax credit. America must remain in the front lines of technological innovation. And we want to actively increase domestic research by multinationals, and end the uncertainty of expiring temporary rules.

These steps, and others, can help us walk the unexplored frontiers of high-technology. For high-tech is potent, precise, and in the end, unbeatable . . . [ Truth is, it sort of reminds a lot of people of the way I pitch horseshoes [PAUSE] . . . Would you believe some of the people? [PAUSE] . . . Would you believe Millie and her pups? [PAUSE] . . . Just asking. ]

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My friends, I want to give the high-five to high-tech. And I want to do it by investing in competitiveness.

That is why I have asked Congress for an increase of \$2.4 billion for NASA as it moves ahead with Space Station Freedom, planned for operation by the mid-1990s. And, I want to elevate the status of the President's Science Advisor. I have also just reestablished the National Space Council headed by Vice-President Quayle to coordinate our future space efforts.

But we can't stop there -- our future won't allow it. So, let us also invest in the Superconducting Super Collider -- a bold new experiment fusing science, technology, and education. Because science is so critical, let us double the National Science Foundation budget by 1993. And let us use America's technological prowess to expand free and fair trade. I'm talking about excellence in such fields as microcomputers, superconductivity, and, yes, aerospace.

In aerospace, my friends, we can point with pride to satellites whose technology is American. Satellites like the Superbird satellite -- among the largest -- 5,500 pounds -- and most powerful commercial communications satellite yet developed . . . 5,500 pounds? That's even bigger than the 49ers' offensive line.

6

Today, American satellites are among the most competitive spacecraft for customers who want affordable high-powered communications satellites. And they are providing regular and cable television access, telephone lines, newspaper transmission, and other telecommunications services. Best of all, they are just a preview of the next generation of satellites. In the 21st Century, they will keep America No. 1.

You know, that-proclaimed philosopher, Satchel Paige, was once asked the secret of his competitiveness. "Don't look back," he replied. "Somebody might be gaining on you."

Satchel Paige, like high-technology, knew that as Americans we look ahead, not back. Always have. And must, now, more than ever. For the coming decade will see, and shape, a rapidly changing workforce. To invest its talents will be our challenge as a Nation.

According to the National Science Foundation, for instance, by the year 2000 the college-age population will have shrunk almost 20 per cent. Among college-age youth, minorities will comprise 1/3. And women, minorities, and immigrants will total almost 2/3 of new entrants to the labor force.

These facts demand a new investment to build a more competitive America. It's an investment different from, but

7

~~equally important as~~, lower capital gains taxes, more funds for space, and other high-technology, <sup>but it is vital.</sup> I'm referring, of course, to child care.

At Ford Aerospace, officials are responding to changing demographics and the needs of its employees. By increasing parental options, Ford's Employee Assistance Program is helping to keep us competitive. And it is involving community agencies as child-care resource referrals. Like the YMCA Child Care Center in Palo Alto, approved and supported by the United Way.

I salute your example. And I applaud its emphasis on choice. Now, there are some Congressional child care initiatives -- well-meaning initiatives -- but which don't reflect this emphasis. Our new child care initiative does. Our proposal urges a new tax credit to make child care more affordable. And it puts money in the hands of low-income parents, limits Federal intervention, and increases options. A church can help, or grandparents, or professional nursery. When it comes to child care, we say: "Let the parents decide."

For in the end, my friends, it's decisions we come down to. Decisions to say "Yes" to child care, more funds for space, and other high-technology. Decisions which serve the entire community: Workers, investors, students, parents. Decisions to

8

invest in America so that we can create a more competitive America.

As Californians, you know what I'm talking about. And you understand what the writer Lincoln Steffens meant when he said, "I have seen the future and it works."

For you believe in daring, aspiring, and charting unexplored frontiers. You look ahead, not back. You know that nothing is impossible. And by giving of yourselves, and to your country, you give lift to the American Dream.

Thank you for that, and for your kindness and generosity. God bless you, and God bless America.

# # # #

THE WHITE HOUSE

Office of the Press Secretary  
(Palo Alto, California)

For Immediate Release

April 25, 1989

REMARKS BY THE PRESIDENT  
TO THE FORD AEROSPACE  
SPACE SYSTEMS DIVISION

Ford Aerospace, Space Systems Division  
Palo Alto, California

9:27 A.M. PDT

THE PRESIDENT: Thank you, Don, very much. And my respects to our congressional representatives that are here today -- Pete Wilson, our United States Senator with us today; and Congressman Campbell especially; other members of Congress that are here; and all of you at Ford. I want to thank Don Peterson for coming from Detroit for this occasion, and thank everybody involved in this visit. And I know what a logistical headache a visit like this might be -- (laughter) -- so we promise to go on time. (Laughter.) Thank you, gentlemen from the Navy.

And, Don, thanks for the introduction, and all of you for the generous welcome. It's a pleasure to be back in the Bay area, among friends. I'm taking a chance by quoting him in North California. But it was that noted gourmet, Dodger Manager Tommy Lasorda who conceded --

AUDIENCE: Ohhhh.

THE PRESIDENT: I knew I was taking a chance. (Laughter.) "I'm on a seafood diet. I eat all the food I can see," he said. (Laughter.) Well, he's not like most of us. He never met a meal he didn't like. And if you ask, he'll insist that food ranks among his most precious investments. It uplifts his performance, mentally and physically. It enhances his ability to compete and, indirectly, to keep his ball club in contention.

And I'm sure you've all heard the old saying, "Never invest your money in anything that eats or needs repainting." (Laughter.)

Well, today I want to talk briefly about a different kind of investment. Investments which prize the new horizons of America's technological future. Investments which can create new jobs, unlock new markets and unleash new technologies. Investments, in short, which will make us more competitive and keep America number one.

In a sense, this attitude is typically American. For we are, at heart, a very competitive people. We measure life by today's Dow Jones average, or by how our ball club did most recently, or whatever the statistic.

And as Americans, we expect short-term results. And, historically, we get them. Government's role is to unleash America's ambition -- to make us more competitive -- by pointing toward the 21st century, ensuring long-term results.

The best investment in the future is to slash the federal budget deficit. And every dollar the government does not borrow means more capital available for sound, productive investment. (Applause.)

MORE

Recently, I unveiled an important bipartisan budget agreement with Congress to reduce the deficit. It is but a first step, but the very fact of it was important -- agreement between the Executive Branch and the Congress. And our accord will narrow this deficit to \$99.4 billion in the fiscal year that began October 1st. And that's far below the \$163 billion estimated for the current fiscal year.

And now, this plan's an agreed outline -- tough talks still lie ahead. And we will resume consultations soon on a plan aimed at balancing the budget by 1993.

Think of the deficit reduction as exercise, like walking the dog every day. Believe me, I know. Exercise keeps you at the top of your game. And so will another investment to build a more competitive America -- one of many that I'll be asking Congress to make. And I am talking about getting Congress to restore the capital gains differential -- a step which, according to Treasury estimates, will raise \$4.8 billion in new revenue. (Applause.)

I listen to all the criticism and I've heard, as you have, the criticism of people who ridicule cutting the capital gains tax as somehow a tax break for the rich. Well, they couldn't be more wrong. Lower capital gains in taxes, lower capital gains taxes will create jobs for those who don't have jobs, will help build a better America. It worked once before and it will work again. So I would urge everybody here to give strong support, contacting your members of the United States Congress, to help me restore the capital gains differential.

Consider, on the other hand - the one hand -- those countries that cripple opportunity. They know firsthand the damage caused by excessive taxation on capital gains. And then consider that our second-largest trading partner, Japan, with whom you are working very closely, has taxed them little, if at all.

And so the lesson then again is self-evident: restoring the capital gains differential will make America more competitive. Our plan supports reducing it to 15 percent on long-held assets. So let us act to lift revenue, help savings and free America businesses without distorting world markets.

You know, ordinarily, I take statistics with a grain of salt. I've seen too many of these polls, these political polls go up and down. And I guess if I'd have listened to them and gotten discouraged by them I wouldn't be standing here as President of the United States of America. (Applause.) But I like what Woody Hayes said -- remember Woody Hayes, the coach at Ohio State? He put it best: "Statistics always remind me of the fellow who drowned in a river whose average depth was only three feet."

One statistic, though, does bear reciting. Since November 1982, nearly 20 million new jobs have been created in this country. And many have been created right here in the Silicon Valley. Well, through investments to increase competitiveness, I know that we can do even better.

For instance, we have proposed a permanent extension on the Research and Experimentation tax credit. America must remain in the front lines of technological innovation. And we want to actively increase domestic research by multinationals and end the uncertainty of expiring temporary rules.

These steps and others can help us walk the unexplored frontiers of high technology. For high-tech is potent, precise and, in the end, unbeatable.

The truth is it reminds a lot of people the way I pitch horseshoes. Would you believe -- (laughter) -- would you believe some of the people? (Laughter.) Would you believe our dog?

(Laughter.) Look, I want to give the high-five symbol to high-tech. And I want to do it by investing in competitiveness.

And that's why I've asked Congress for an increase of \$2.4 billion for NASA as it moves head with the Space Station Freedom. (Applause.) We have selected a new Science Advisor, and I will elevate his status -- it is important that the President's Science Advisor have access to the President and that his views be considered in a wide array of important issues. I've also just reestablished the National Space Council, headed by the Vice President, to coordinate our future space efforts.

But we can't stop there -- our future won't allow it. So let us also invest in the Superconducting Supercollider -- a bold new experiment fusing science, technology and education. Because science is so critical, let us double the National Science Foundation budget by 1993. (Applause.) And let us use our own technological prowess to expand free and fair trade. I'm talking about excellence in such fields as microcomputers and superconductivity and, yes, aerospace.

In aerospace, we can point to satellites whose technology is American -- point with pride to that. Satellites like the Superbird satellite -- among the largest -- 5,500 pounds -- (applause) -- the most powerful communications satellites yet developed -- 5,500 pounds. That's even bigger than the 49ers' offensive line. (Laughter.)

Today, America's satellites are among the most competitive spacecrafts for customers who want affordable high-powered communications satellites. And they are providing regular and cable television access, telephone lines, newspaper transmission and other telecommunications services. And best of all, they're just a preview of the next generation of satellites. In the 21st century, they will keep America as number one. (Applause.)

You know -- remember Satchel Paige? Great black pitcher, self-proclaimed philosopher. They asked him what was the secret of his competitiveness. You remember what he said. "Don't look back. Somebody might be gaining on you."

Well, Satchel, like high technology, knew that as Americans we do look ahead and not back. We always have. And we must now, more than ever. For the coming decade will see and shape a rapidly changing workforce. To invest its talents will be our challenge as a nation.

According to the National Science Foundation, for instance, by the year 2000 the college-age population will have shrunk almost 20 percent. Among college-age youth, minorities will comprise one-third. And women, minorities, and immigrants will total almost two-thirds of the new entrants into the labor force.

These facts demand a new investment to build a more competitive America. It's an investment different from lower capital gains taxes, or more funds for space and other high tech, but it is vital. And I'm referring, of course, to child care. (Applause.)

At Ford Aerospace, officials are responding to changing demographics and the needs of its employees. By increasing parental options, Ford's Employee Assistance Program is helping to keep us competitive. And it is involving community agencies as child care resource referrals -- like the YMCA Child Care Center in Palo Alto, approved and supported by the United Way.

Now, I salute this example. And I applaud its emphasis on choice. There are some congressional child care initiatives -- well-meaning, I am sure -- but which don't reflect this emphasis. Our new child care initiative -- mine, the one that I've sent up to the Congress -- does. And our proposal urges a new tax credit to

make child care more affordable. And it puts money in the hands of the low-income parents, limits federal intervention and increases options. A church can help, or grandparents, or professional nursery. When it comes to child care, we say, let the parents decide. Keep the family strong. And we must do that. (Applause.)

For in the end, it's decisions we come down to -- decisions to say "yes" to child care, more funds for space and other high technology. Decisions which serve the entire community -- workers, investors, students, parents. Decisions to invest in America so that we can create a more competitive America.

As Californians, you know what I'm talking about. You've always believed in daring, aspiring, and charting unexplored frontiers. And you look ahead, not back. And you know that nothing is impossible. And by giving of yourselves and to your country, you give lift to the American Dream.

Thank you for that. Thank you for a fascinating day in the laboratories here. Thank you for your kindness and your generosity. God bless you and God bless the United States of America. Thank you all very much. (Applause.)

END

9:43 A.M. PDT

## THE WHITE HOUSE

WASHINGTON

April 20, 1989

K6  
for file

MEMORANDUM FOR CHRISS WINSTON

FROM: BRENT SCOWCROFT *BSC*

SUBJECT: Presidential Remarks: Ford Aerospace,  
Palo Alto, California, April 25

The draft speech to Ford Aerospace misses the mark. A certain amount of boosterism is appropriate, but not at the expense of all substance.

There is strong concern throughout the U.S. and particularly in California about the loss of our competitive edge in the high technology field and in products for the future. The message should be the need for the U.S. to work harder to retain our technological leadership, the pivotal role of the private sector in that effort, and the equally essential role of the federal government in giving entrepreneurs and investors the right signals. That message does not come through in the present draft. The President will miss a good opportunity to talk about U.S. competitiveness and the need for technology supremacy as international competition heats up. References to Ford's Employee Assistance Program and the Administration's child care initiative also seem out of place and give the speech a laundry list quality which is unfair to the President and his audience.

There are also several specific problems with the draft:

- Repeated references to the LA Dodgers and Tommy Lasorda will probably make a Bay Area audience shake their heads about the President's grasp of geography. The 49ers were the Super Bowl champs. Their coach had the reputation for the kind of careful, thorough advance planning which is key to success in high tech ventures. Surely, as a sports figure he is more relevant to a Palo Alto audience.
- Probably very few people know -- or care -- about the former head coach at Ohio State. You could paraphrase the Woody Hayes quote without referring to him personally.
- On page 5, there is mention of technological prowess and excellence in certain fields. The U.S. is completely out of the high definition TV race. It would be better to substitute a field where we are active and successful, e.g. biotechnology.

Attachment

Tab A Draft Presidential Speech

cc: James W. Cicconi

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/19/89 ACTION/CONCURRENCE/COMMENT DUE BY: 4/20/89 3:00 PM

SUBJECT: PRESIDENTIAL REMARKS: FORD AEROSPACE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input 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 3:00 PM, Thursday, April 20, 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

89 APR 20 A 9: 50

1989 APR 13 PM 7:4

(Smith/Martin)  
April 19, 1989  
Draft Four  
PALO

PRESIDENTIAL REMARKS: FORD AEROSPACE  
PALO ALTO, CALIFORNIA  
APRIL 25, 1989

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That is why our Administration is investing in the future by slashing the Federal deficit. For every dollar of interest debt we eliminate means more capital available for investment.

Recently, I unveiled a bipartisan budget agreement with Congress to reduce the deficit. Our accord will narrow it to \$99.4 billion in the fiscal year that begins October 1. That's far below the \$165 billion estimated for the current fiscal year.

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Consider, on the one hand, those countries which cripple opportunity. They know, first-hand, the damage caused by excessive taxation on capital gains. Then consider that our second-largest trading partner, Japan, has taxed them little, if at all.

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"always remind me of the fellow who drowned in a river whose average depth was only three feet."

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In aerospace, my friends, Ford does "have a better idea." It's called the Superbird satellite, and its technology is American. It is the largest -- 2,640 pounds -- and most powerful communications satellite yet developed . . . 2,640 pounds? That's even bigger than the 49ers' offensive line. And it was built in record time . . . right here. . . by you.

Superbird is among the most competitive spacecraft for customers who want affordable high-powered communications satellites. And it will provide regular and cable television access, telephone lines, newspaper transmission, and other telecommunications services. Best of all, Superbird is just a preview of the next generation of satellites. In the twenty-first-century, they will keep America No. 1.

You know, that-proclaimed philosopher, Satchel Paige, was once asked the secret of his competitiveness. "Don't look back," he replied. "Somebody might be gaining on you."

Satchel Paige, like Ford Aerospace, knew that as Americans we look ahead, not back. Always have. And must, now, more than ever. For the coming decade will see, and shape, a rapidly changing workforce. To invest its talents will be our challenge as a Nation.

According to the National Science Foundation, for instance, by the year 2000 the college-age population will have shrunk almost 20 per cent. Among college-age youth, minorities will comprise 1/3. And women, minorities, and immigrants will total almost 2/3 of new entrants to the labor force.

These facts demand a new investment to build a more competitive America. It's an investment different from, but equally important as, lower capital gains taxes, more funds for space, and other high-technology. I'm referring, of course, to child care.

At Ford Aerospace, officials are responding to changing demographics and the needs of its employees. By increasing parental options, Ford's Employee Assistance Program is helping to keep us competitive. And it is involving community agencies

as child-care resource referrals. Like the YMCA Child Care Center in Palo Alto, approved and supported by the United Way.

I salute your example. And I applaud its emphasis on choice. Our new child care initiative reflects that emphasis. For it proposes a new tax credit to make child care more affordable. Our proposal puts money in the hands of low-income parents, limits Federal intervention, and increases options. A church can help, or grandparents, or professional nursery. When it comes to child care, we say: "Let the parents decide."

For in the end, my friends, it's decisions we come down to. Decisions to say "Yes" to child care, more funds for space, and other high-technology. Decisions which serve the entire community: Workers, investors, students, parents. Decisions to invest in America so that we can create a more competitive America.

As Californians, you know what I'm talking about. For you believe in daring, aspiring, and charting unexplored frontiers.

You look ahead, not back. You know that nothing is impossible. And by giving of yourselves, and to your country, you give lift to the American Dream.

Thank you for that, and for your kindness and generosity. God bless you, and God bless America.

# # # #

# FINAL AFTER GB CHANGES

(Smith/Martin)  
April 19, 1989  
Draft Four  
PALO

PRESIDENTIAL REMARKS: FORD AEROSPACE  
PALO ALTO, CALIFORNIA  
APRIL 25, 1989

Thank you for that introduction, and for your generous welcome. It is a pleasure to be in the Bay Area, and among friends.

You know, I realize I'm taking a chance by quoting him in Northern California. But it was that noted gourmet, Dodgers manager Tommy Lasorda, who conceded, "I'm on a sea-food diet. I eat all the food I can see."

Tommy's not like most of us: He never met a meal he didn't like. And if you ask, he'll insist that food ranks among his most precious investments. It uplifts his performance, mentally and physically. It enhances his ability to compete and, indirectly, to keep the Dodgers No. 1.

I'm sure you've all heard the old saying, "Never invest your money in anything that eats or needs repainting."

Well, today, I want to talk about a different kind of investment. Investments which prize the new horizons of

America's technological future. Investments which can create new jobs, unlock new markets, and unleash new technologies.

Investments, in short, which will make us more competitive and keep America No. 1.

In a sense, this attitude is typically American. For we are, at heart, a competitive people. We measure life by today's Dow Jones average [LOOK AT WATCH] . . . 9:30 a.m., up \_\_\_ points. Or by how our ball club did most recently . . . A's \_\_\_, \_\_\_ . . . Angels \_\_\_, \_\_\_ . . . Giants \_\_\_, Dodgers \_\_\_ . . . Sorry, Tommy.

As Americans, we expect short-term results. And, historically, we get them. Government's role is to unleash America's ambition -- to make us more competitive -- by pointing toward the 21st Century, ensuring long-term results.

The best investment in the future is to slash the Federal deficit. Every dollar the government does not borrow means more capital available for investment.

Recently, I unveiled an important bipartisan budget agreement with Congress to reduce the deficit. Our accord will narrow it to \$99.4 billion in the fiscal year that begins October 1. That's far below the \$163 billion estimated for the current fiscal year.

Now, this plan's an agreed outline -- tough talks still lie ahead. And we will resume consultations soon on a plan aimed at balancing the budget by 1993.

Think of deficit reduction as exercise, like walking the dog every day . . . believe me, I know. Exercise keeps you at the top of your game. And so will another investment to build a more competitive America -- one of many I'll be asking the Congress to make. I refer to restoring the capital gains differential -- a step which, according to Treasury estimates, will raise \$4.8 billion in new revenue.

My friends, I've heard, as you have, the criticism of people who ridicule cutting the capital gains tax as somehow a "tax break" for the rich. Well, they couldn't be more wrong. Lower capital gains taxes will create jobs for those who don't have jobs, and help build a better America.

Consider, on the one hand, those countries which cripple opportunity. They know, first-hand, the damage caused by excessive taxation on capital gains. Then consider that our second-largest trading partner, Japan, has taxed them little, if at all.

The lesson is self-evident: Restoring the capital gains differential will make America more competitive. Our plan supports reducing it to 15 per cent on long-held assets. So, let act to lift revenue, help savings, and free American businesses, without distorting world markets.

You know, ordinarily I take statistics with a grain of salt. I've seen too many political polls go up and down. Perhaps the late, great Woody Hayes put it best: "Statistics," he said, "always remind me of the fellow who drowned in a river whose average depth was only three feet."

But one statistic does bear reciting. Since November 1982, nearly 20 million new jobs have been created in this country. Many have been created right here in Silicon Valley. Well, through investments to increase competitiveness, we can do still better.

For instance, we've proposed a permanent extension of the Research and Experimentation tax credit. America must remain in the front lines of technological innovation. And we want to actively increase domestic research by multinationals, and end the uncertainty of expiring temporary rules.

These steps, and others, can help us walk the unexplored frontiers of high-technology. For high-tech is potent, precise,

and in the end, unbeatable . . . (( Truth is, it sort of reminds a lot of people of the way I pitch horseshoes [PAUSE] . . . Would you believe some of the people? [PAUSE] . . . Would you believe Millie and her pups? [PAUSE] . . . Just asking.))

My friends, I want to give the high-five to high-tech. And I want to do it by investing in competitiveness.

That is why I have asked Congress for an increase of \$2.4 billion for NASA as it moves ahead with Space Station Freedom, planned for operation by the mid-1990s. And, I want to elevate the status of the President's Science Advisor. I have also just reestablished the National Space Council headed by Vice-President Quayle to coordinate our future space efforts.

But we can't stop there -- our future won't allow it. So, let us also invest in the Superconducting Super Collider -- a bold new experiment fusing science, technology, and education. Because science is so critical, let us double the National Science Foundation budget by 1993. And let us use America's technological prowess to expand free and fair trade. I'm talking about excellence in such fields as microcomputers, superconductivity, and, yes, aerospace.

In aerospace, we can point with pride to satellites whose technology is American. Satellites like the Superbird satellite

-- among the largest -- 5,500 pounds -- and most powerful commercial communications satellite yet developed . . . 5,500 pounds? That's even bigger than the 49ers' offensive line.

Today, American satellites are among the most competitive spacecraft for customers who want affordable high-powered communications satellites. And they are providing regular and cable television access, telephone lines, newspaper transmission, and other telecommunications services. Best of all, they are just a preview of the next generation of satellites. In the 21st Century, they will keep America No. 1.

You know, that-proclaimed philosopher, Satchel Paige, was once asked the secret of his competitiveness. "Don't look back," he replied. "Somebody might be gaining on you."

Satchel Paige, like high-technology, knew that as Americans we look ahead, not back. Always have. And must, now, more than ever. For the coming decade will see, and shape, a rapidly changing workforce. To invest its talents will be our challenge as a Nation.

According to the National Science Foundation, for instance, by the year 2000 the college-age population will have shrunk almost 20 per cent. Among college-age youth, minorities will

comprise 1/3. And women, minorities, and immigrants will total almost 2/3 of new entrants to the labor force.

These facts demand a new investment to build a more competitive America. It's an investment different from lower capital gains taxes, more funds for space, and other high-technology, but it is vital. I'm referring, of course, to child care.

At Ford Aerospace, officials are responding to changing demographics and the needs of its employees. By increasing parental options, Ford's Employee Assistance Program is helping to keep us competitive. And it is involving community agencies as child-care resource referrals. Like the YMCA Child Care Center in Palo Alto, approved and supported by the United Way.

I salute your example. And I applaud its emphasis on choice. Now, there are some Congressional child care initiatives -- well-meaning initiatives -- but which don't reflect this emphasis. Our new child care initiative does. Our proposal urges a new tax credit to make child care more affordable. And it puts money in the hands of low-income parents, limits Federal intervention, and increases options. A church can help, or grandparents, or professional nursery. When it comes to child care, we say: "Let the parents decide."

For in the end, my friends, it's decisions we come down to. Decisions to say "Yes" to child care, more funds for space, and other high-technology. Decisions which serve the entire community: Workers, investors, students, parents. Decisions to invest in America so that we can create a more competitive America.

As Californians, you know what I'm talking about. [And you understand what the writer Lincoln Steffens meant when he said, "I have seen the future and it works."] ]

For you believe in daring, aspiring, and charting unexplored frontiers. You look ahead, not back. You know that nothing is impossible. And by giving of yourselves, and to your country, you give lift to the American Dream.

Thank you for that, and for your kindness and generosity. God bless you, and God bless America.

# # # #

THE WHITE HOUSE

WASHINGTON

April 20, 1989

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Remarks: Ford Aerospace

The speech properly emphasizes the President's desire to invest in the future.

We do recommend several suggestions which we believe will strengthen the remarks. In the second full paragraph on page two stating that "Government's role is to harness America's ambition" may send the wrong message relative to government involvement in the economy. Frankly, we do not want the government to "harness" the economy.

Second paragraph on page three "according to Treasury estimates, will raise \$4.8 billion in new revenue". Since we are emphasizing the capital gains tax cut as a method to encourage investment, we suggest deleting the specific Treasury estimate of new revenues.

In the last paragraph on page four "That is why I have asked Congress for an increase of \$2.4 billion for the Space Program." Actually, the President has asked for an increase of \$2.4 billion in NASA's budget. The Federal "space program" includes programs at the Dept.'s of Commerce and Transportation as well as NASA.

On page seven, between the second and third full paragraphs, we suggest adding the following approved language used in the campaign and in Building A Better America. "Technological advancement has always been at the very heart of our nation's pioneer spirit, pushing the boundaries of our knowledge, creating economic opportunity, and increasing our standard of living."

If you have any questions or I can help in any way, please let me know.

cc: James W. Cicconi

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/19/89

ACTION/CONCURRENCE/COMMENT DUE BY: \_\_\_\_\_

4/20/89 3:00 PM

SUBJECT: PRESIDENTIAL REMARKS: FORD AEROSPACE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input 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 3:00 PM, Thursday, April 20, 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

1309 APR 13 PM 7:4

(Smith/Martin)  
April 19, 1989  
Draft Four  
PALO

PRESIDENTIAL REMARKS: FORD AEROSPACE  
PALO ALTO, CALIFORNIA  
APRIL 25, 1989

Thank you for that introduction, and for your generous welcome. It is a pleasure to be in the Bay Area, and among friends.

You know, I realize I'm taking a chance by quoting him in Northern California. But it was that noted gourmet, Dodgers manager Tommy Lasorda, who conceded, "I'm on a sea-food diet. I eat all the food I can see."

Tommy's not like most of us: He never met a meal he didn't like. And if you ask, he'll insist that food ranks among his most precious investments. It uplifts his performance, mentally and physically. It enhances his ability to compete and, indirectly, to keep the Dodgers No. 1.

I'm sure you've all heard the old saying, "Never invest your money in anything that eats or needs repainting."

Well, today, I want to talk about a different kind of investment. Investments which prize the new horizons of

America's technological future. Investments which can create new jobs, unlock new markets, and unleash new technologies. Investments, in short, which will make us more competitive and keep America No. 1.

In a sense, this attitude is typically American. For we are, at heart, a competitive people. We measure life by today's Dow Jones average [LOOK AT WATCH] . . . 11 a.m., up \_\_\_ points. Or by how our ball club did last night . . . A's, 4-1 . . . Angels, 4-3 . . . Dodgers, beaten 8-5 . . . Sorry, Tommy.

As Americans, we expect short-term results. And, historically, we get them. *AMERICA'S AMBITION WILL MAKE US MORE* ~~[Government's role is to harness America's ambition -- to make us more]~~ competitive -- by pointing toward the twenty-first-century, ensuring long-term results.

That is why our Administration is investing in the future by slashing the Federal deficit. For every dollar of interest debt we eliminate means more capital available for investment.

Recently, I unveiled a bipartisan budget agreement with Congress to reduce the deficit. Our accord will narrow it to \$99.4 billion in the fiscal year that begins October 1. That's far below the \$165 billion estimated for the current fiscal year.

Now, this plan's an outline -- tough talks still lie ahead. And we will resume consultations soon on a plan aimed at balancing the budget by 1993.

Think of deficit reduction as exercise, like walking the dog every day . . . believe me, I know . . . ask the Silver Fox. Exercise keeps you at the top of your game. And so will another investment to build a more competitive America. I refer to restoring the capital gains differential -- a step which, according to Treasury estimates, will raise  $\left[ \$4.8 \text{ billion} \right]$  in new revenue.

Consider, on the one hand, those countries which cripple opportunity. They know, first-hand, the damage caused by excessive taxation on capital gains. Then consider that our second-largest trading partner, Japan, has taxed them little, if at all.

The lesson is self-evident: Restoring the capital gains differential will make America more competitive. Our plan supports reducing it to 15 per cent on long-held assets. So, let us act to lift revenue, help savings, and free American businesses, without distorting world markets.

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"always remind me of the fellow who drowned in a river whose average depth was only three feet."

But one statistic does bear reciting. Since December 1982, nearly 20 million new jobs have been created in this country. Through investments to increase competitiveness, we can do still better.

For instance, we've proposed a permanent extension of the Research and Experimentation tax credit. America must remain in the front lines of technological innovation. And we want to actively increase domestic research by multinationals, and end the uncertainty of expiring temporary rules.

These steps, and others, can help us walk the unexplored frontiers of high-technology. For high-tech is potent, precise, and in the end, unbeatable . . . Truth is, it sort of reminds a lot of people of the way I pitch horseshoes [PAUSE] . . . Would you believe some of the people? [PAUSE] . . . Would you believe Millie and her pups? [PAUSE] . . . Just asking.

My friends, I want to give the high-five to high-tech. And I want to do it by investing in competitiveness. That is why I have asked Congress for an increase of \$2.4 billion for <sup>in NASA's budget.</sup> ~~the Space~~ ~~Program.~~ I want to elevate the status of the President's Science Advisor. And NASA is moving ahead with Space Station Freedom, planned for operation by the mid-1990s.

But we can't stop there -- our future won't allow it. So, let us also invest in the Superconducting Super Collider -- a bold new experiment fusing science, technology, and education. Because science is so critical, let us double the National Science Foundation budget by 1993. And let us use America's technological prowess to expand free and fair trade. I'm talking about excellence in such fields as microcomputers, superconductivity, high-definition TV, and, yes, aerospace.

In aerospace, my friends, Ford does "have a better idea." It's called the Superbird satellite, and its technology is American. It is the largest -- 2,640 pounds -- and most powerful communications satellite yet developed . . . 2,640 pounds? That's even bigger than the 49ers' offensive line. And it was built in record time . . . right here. . . by you.

Superbird is among the most competitive spacecraft for customers who want affordable high-powered communications satellites. And it will provide regular and cable television access, telephone lines, newspaper transmission, and other telecommunications services. Best of all, Superbird is just a preview of the next generation of satellites. In the twenty-first-century, they will keep America No. 1.

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For in the end, my friends, it's decisions we come down to. Decisions to say "Yes" to child care, more funds for space, and other high-technology. Decisions which serve the entire community: Workers, investors, students, parents. Decisions to invest in America so that we can create a more competitive America.

*ADD LANGUAGE*

As Californians, you know what I'm talking about. For you believe in daring, aspiring, and charting unexplored frontiers.

You look ahead, not back. You know that nothing is impossible. And by giving of yourselves, and to your country, you give lift to the American Dream.

Thank you for that, and for your kindness and generosity. God bless you, and God bless America.

# # # #

1989 APR 23 PM 11:21

REMARKS: FORD AEROSPACE  
PALO ALTO, CALIFORNIA  
APRIL 25, 1989/9:30 AM

THANK YOU FOR THAT INTRODUCTION, AND FOR YOUR  
GENEROUS WELCOME. IT IS A PLEASURE TO BE IN THE BAY  
AREA, AND AMONG FRIENDS.

YOU KNOW, I REALIZE I'M TAKING A CHANCE BY QUOTING  
HIM IN NORTHERN CALIFORNIA.

- 2 -

BUT IT WAS THAT NOTED GOURMET, DODGERS MANAGER TOMMY  
LASORDA, WHO CONCEDED, "I'M ON A SEA-FOOD DIET. I EAT  
ALL THE FOOD I CAN SEE."

TOMMY'S NOT LIKE MOST OF US: HE NEVER MET A MEAL  
HE DIDN'T LIKE. AND IF YOU ASK, HE'LL INSIST THAT FOOD  
RANKS AMONG HIS MOST PRECIOUS INVESTMENTS. IT UPLIFTS  
HIS PERFORMANCE, MENTALLY AND PHYSICALLY. IT ENHANCES  
HIS ABILITY TO COMPETE AND, INDIRECTLY, TO KEEP THE  
DODGERS No. 1.

- 3 -

I'M SURE YOU'VE ALL HEARD THE OLD SAYING, "NEVER INVEST YOUR MONEY IN ANYTHING THAT EATS OR NEEDS REPAINTING."

WELL, TODAY, I WANT TO TALK ABOUT A DIFFERENT KIND OF INVESTMENT. INVESTMENTS WHICH PRIZE THE NEW HORIZONS OF AMERICA'S TECHNOLOGICAL FUTURE. INVESTMENTS WHICH CAN CREATE NEW JOBS, UNLOCK NEW MARKETS, AND UNLEASH NEW TECHNOLOGIES.

- 4 -

INVESTMENTS, IN SHORT, WHICH WILL MAKE US MORE COMPETITIVE AND KEEP AMERICA No. 1.

IN A SENSE, THIS ATTITUDE IS TYPICALLY AMERICAN. FOR WE ARE, AT HEART, A COMPETITIVE PEOPLE. WE MEASURE LIFE BY TODAY'S DOW JONES AVERAGE [LOOK AT WATCH] . . . 9:30 A.M., UP \_\_\_ POINTS. OR BY HOW OUR BALL CLUB DID MOST RECENTLY . . . [[A'S \_\_\_, \_\_\_ . . . ANGELS \_\_\_, \_\_\_ . . . GIANTS \_\_\_, DODGERS \_\_\_ . . . SORRY, TOMMY.]]

AS AMERICANS, WE EXPECT SHORT-TERM RESULTS. AND, HISTORICALLY, WE GET THEM. GOVERNMENT'S ROLE IS TO UNLEASH AMERICA'S AMBITION -- TO MAKE US MORE COMPETITIVE -- BY POINTING TOWARD THE 21ST CENTURY, ENSURING LONG-TERM RESULTS.

THE BEST INVESTMENT IN THE FUTURE IS TO SLASH THE FEDERAL DEFICIT. EVERY DOLLAR THE GOVERNMENT DOES NOT BORROW MEANS MORE CAPITAL AVAILABLE FOR INVESTMENT.

RECENTLY, I UNVEILED AN IMPORTANT BIPARTISAN BUDGET AGREEMENT WITH CONGRESS TO REDUCE THE DEFICIT. OUR ACCORD WILL NARROW IT TO \$99.4 BILLION IN THE FISCAL YEAR THAT BEGINS OCTOBER 1. THAT'S FAR BELOW THE \$163 BILLION ESTIMATED FOR THE CURRENT FISCAL YEAR.

NOW, THIS PLAN'S AN AGREED OUTLINE -- TOUGH TALKS STILL LIE AHEAD. AND WE WILL RESUME CONSULTATIONS SOON ON A PLAN AIMED AT BALANCING THE BUDGET BY 1993.

THINK OF DEFICIT REDUCTION AS EXERCISE, LIKE WALKING THE DOG EVERY DAY . . . BELIEVE ME, I KNOW. EXERCISE KEEPS YOU AT THE TOP OF YOUR GAME. AND SO WILL ANOTHER INVESTMENT TO BUILD A MORE COMPETITIVE AMERICA -- ONE OF MANY I'LL BE ASKING THE CONGRESS TO MAKE. I REFER TO RESTORING THE CAPITAL GAINS DIFFERENTIAL -- A STEP WHICH, ACCORDING TO TREASURY ESTIMATES, WILL RAISE \$4.8 BILLION IN NEW REVENUE.

MY FRIENDS, I'VE HEARD, AS YOU HAVE, THE CRITICISM OF PEOPLE WHO RIDICULE CUTTING THE CAPITAL GAINS TAX AS SOMEHOW A "TAX BREAK" FOR THE RICH. WELL, THEY COULDN'T BE MORE WRONG. LOWER CAPITAL GAINS TAXES WILL CREATE JOBS FOR THOSE WHO DON'T HAVE JOBS, AND HELP BUILD A BETTER AMERICA.

CONSIDER, ON THE ONE HAND, THOSE COUNTRIES WHICH CRIPPLE OPPORTUNITY. THEY KNOW, FIRST-HAND, THE DAMAGE CAUSED BY EXCESSIVE TAXATION ON CAPITAL GAINS.

THEN CONSIDER THAT OUR SECOND-LARGEST TRADING PARTNER, JAPAN, HAS TAXED THEM LITTLE, IF AT ALL.

THE LESSON IS SELF-EVIDENT: RESTORING THE CAPITAL GAINS DIFFERENTIAL WILL MAKE AMERICA MORE COMPETITIVE. OUR PLAN SUPPORTS REDUCING IT TO 15 PER CENT ON LONG-HELD ASSETS. SO, LET US ACT TO LIFT REVENUE, HELP SAVINGS, AND FREE AMERICAN BUSINESSES, WITHOUT DISTORTING WORLD MARKETS.

YOU KNOW, ORDINARILY I TAKE STATISTICS WITH A GRAIN OF SALT. I'VE SEEN TOO MANY POLITICAL POLLS GO UP AND DOWN. PERHAPS THE LATE, GREAT WOODY HAYES PUT IT BEST: "STATISTICS," HE SAID, "ALWAYS REMIND ME OF THE FELLOW WHO DROWNED IN A RIVER WHOSE AVERAGE DEPTH WAS ONLY THREE FEET."

BUT ONE STATISTIC DOES BEAR RECITING. SINCE NOVEMBER 1982, NEARLY 20 MILLION NEW JOBS HAVE BEEN CREATED IN THIS COUNTRY.

- 11 -

MANY HAVE BEEN CREATED RIGHT HERE IN SILICON VALLEY. WELL, THROUGH INVESTMENTS TO INCREASE COMPETITIVENESS, WE CAN DO STILL BETTER.

FOR INSTANCE, WE'VE PROPOSED A PERMANENT EXTENSION OF THE RESEARCH AND EXPERIMENTATION TAX CREDIT. AMERICA MUST REMAIN IN THE FRONT LINES OF TECHNOLOGICAL INNOVATION. AND WE WANT TO ACTIVELY INCREASE DOMESTIC RESEARCH BY MULTINATIONALS, AND END THE UNCERTAINTY OF EXPIRING TEMPORARY RULES.

- 12 -

THESE STEPS, AND OTHERS, CAN HELP US WALK THE UNEXPLORED FRONTIERS OF HIGH-TECHNOLOGY. FOR HIGH-TECH IS POTENT, PRECISE, AND IN THE END, UNBEATABLE . . . (( TRUTH IS, IT SORT OF REMINDS A LOT OF PEOPLE OF THE WAY I PITCH HORSESHOES [PAUSE] . . . WOULD YOU BELIEVE SOME OF THE PEOPLE? [PAUSE] . . . WOULD YOU BELIEVE MILLIE AND HER PUPS? [PAUSE] . . . JUST ASKING.))

- 13 -

MY FRIENDS, I WANT TO GIVE THE HIGH-FIVE TO HIGH-TECH. AND I WANT TO DO IT BY INVESTING IN COMPETITIVENESS.

THAT IS WHY I HAVE ASKED CONGRESS FOR AN INCREASE OF \$2.4 BILLION FOR NASA AS IT MOVES AHEAD WITH SPACE STATION FREEDOM, PLANNED FOR OPERATION BY THE MID-1990S. AND, I WANT TO ELEVATE THE STATUS OF THE PRESIDENT'S SCIENCE ADVISOR.

- 14 -

I HAVE ALSO JUST REESTABLISHED THE NATIONAL SPACE COUNCIL HEADED BY VICE-PRESIDENT QUAYLE TO COORDINATE OUR FUTURE SPACE EFFORTS.

BUT WE CAN'T STOP THERE -- OUR FUTURE WON'T ALLOW IT. SO, LET US ALSO INVEST IN THE SUPERCONDUCTING SUPER COLLIDER -- A BOLD NEW EXPERIMENT FUSING SCIENCE, TECHNOLOGY, AND EDUCATION. BECAUSE SCIENCE IS SO CRITICAL, LET US DOUBLE THE NATIONAL SCIENCE FOUNDATION BUDGET BY 1993.

- 15 -

AND LET US USE AMERICA'S TECHNOLOGICAL PROWESS TO EXPAND FREE AND FAIR TRADE. I'M TALKING ABOUT EXCELLENCE IN SUCH FIELDS AS MICROCOMPUTERS, SUPERCONDUCTIVITY, AND, YES, AEROSPACE.

- 16 -

IN AEROSPACE, WE CAN POINT WITH PRIDE TO SATELLITES WHOSE TECHNOLOGY IS AMERICAN. SATELLITES LIKE THE SUPERBIRD SATELLITE -- AMONG THE LARGEST -- 5,500 POUNDS -- AND MOST POWERFUL COMMERCIAL COMMUNICATIONS SATELLITES YET DEVELOPED . . . 5,500 POUNDS? THAT'S EVEN BIGGER THAN THE 49ERS' OFFENSIVE LINE.

TODAY, AMERICAN SATELLITES ARE AMONG THE MOST COMPETITIVE SPACECRAFT FOR CUSTOMERS WHO WANT AFFORDABLE HIGH-POWERED COMMUNICATIONS SATELLITES.

- 17 -

AND THEY ARE PROVIDING REGULAR AND CABLE TELEVISION ACCESS, TELEPHONE LINES, NEWSPAPER TRANSMISSION, AND OTHER TELECOMMUNICATIONS SERVICES. BEST OF ALL, THEY ARE JUST A PREVIEW OF THE NEXT GENERATION OF SATELLITES. IN THE 21ST CENTURY, THEY WILL KEEP AMERICA No. 1.

- 18 -

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DECISIONS WHICH SERVE THE ENTIRE COMMUNITY: WORKERS, INVESTORS, STUDENTS, PARENTS. DECISIONS TO INVEST IN AMERICA SO THAT WE CAN CREATE A MORE COMPETITIVE AMERICA.

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THANK YOU FOR THAT, AND FOR YOUR KINDNESS AND GENEROSITY. GOD BLESS YOU, AND GOD BLESS AMERICA.

# # # #

FINAL

(Smith/Martin)  
April 24, 1989  
Draft Six  
PALO

PRESIDENTIAL REMARKS: FORD AEROSPACE  
PALO ALTO, CALIFORNIA  
APRIL 25, 1989/9:30 AM

Thank you for that introduction, and for your generous welcome. It is a pleasure to be in the Bay Area, and among friends.

You know, I realize I'm taking a chance by quoting him in Northern California. But it was that noted gourmet, Dodgers manager Tommy Lasorda, who conceded, "I'm on a sea-food diet. I eat all the food I can see."

Tommy's not like most of us: He never met a meal he didn't like. And if you ask, he'll insist that food ranks among his most precious investments. It uplifts his performance, mentally and physically. It enhances his ability to compete and, indirectly, to keep the Dodgers No. 1.

I'm sure you've all heard the old saying, "Never invest your money in anything that eats or needs repainting."

Well, today, I want to talk about a different kind of investment. Investments which prize the new horizons of

America's technological future. Investments which can create new jobs, unlock new markets, and unleash new technologies.

Investments, in short, which will make us more competitive and keep America No. 1.

In a sense, this attitude is typically American. For we are, at heart, a competitive people. We measure life by today's Dow Jones average [LOOK AT WATCH] . . . 9:30 a.m., up \_\_\_ points. Or by how our ball club did most recently . . .[[ A's \_\_\_ . . . Dodgers 7, Giants 6. . . Sorry, folks.]]

As Americans, we expect short-term results. And, historically, we get them. Government's role is to unleash America's ambition -- to make us more competitive -- by pointing toward the 21st Century, ensuring long-term results.

The best investment in the future is to slash the Federal deficit. Every dollar the government does not borrow means more capital available for investment.

Recently, I unveiled an important bipartisan budget agreement with Congress to reduce the deficit. Our accord will narrow it to \$99.4 billion in the fiscal year that begins October 1. That's far below the \$163 billion estimated for the current fiscal year.

Now, this plan's an agreed outline -- tough talks still lie ahead. And we will resume consultations soon on a plan aimed at balancing the budget by 1993.

Think of deficit reduction as exercise, like walking the dog every day . . . believe me, I know. Exercise keeps you at the top of your game. And so will another investment to build a more competitive America -- one of many I'll be asking the Congress to make. I refer to restoring the capital gains differential -- a step which, according to Treasury estimates, will raise \$4.8 billion in new revenue.

My friends, I've heard, as you have, the criticism of people who ridicule cutting the capital gains tax as somehow a "tax break" for the rich. Well, they couldn't be more wrong. Lower capital gains taxes will create jobs for those who don't have jobs, and help build a better America.

Consider, on the one hand, those countries which cripple opportunity. They know, first-hand, the damage caused by excessive taxation on capital gains. Then consider that our second-largest trading partner, Japan, has taxed them little, if at all.

The lesson is self-evident: Restoring the capital gains differential will make America more competitive. Our plan

supports reducing it to 15 per cent on long-held assets. So, let us act to lift revenue, help savings, and free American businesses, without distorting world markets.

You know, ordinarily I take statistics with a grain of salt. I've seen too many political polls go up and down. Perhaps the late, great Woody Hayes put it best: "Statistics," he said, "always remind me of the fellow who drowned in a river whose average depth was only three feet."

But one statistic does bear reciting. Since November 1982, nearly 20 million new jobs have been created in this country. Many have been created right here in Silicon Valley. Well, through investments to increase competitiveness, we can do still better.

For instance, we've proposed a permanent extension of the Research and Experimentation tax credit. America must remain in the front lines of technological innovation. And we want to actively increase domestic research by multinationals, and end the uncertainty of expiring temporary rules.

These steps, and others, can help us walk the unexplored frontiers of high-technology. For high-tech is potent, precise, and in the end, unbeatable . . . (( Truth is, it sort of reminds a lot of people of the way I pitch horseshoes [PAUSE] . . . Would

you believe some of the people? [PAUSE] . . . Would you believe Millie and her pups? [PAUSE] . . . Just asking.))

My friends, I want to give the high-five to high-tech. And I want to do it by investing in competitiveness.

That is why I have asked Congress for an increase of \$2.4 billion for NASA as it moves ahead with Space Station Freedom, planned for operation by the mid-1990s. And, I want to elevate the status of the President's Science Advisor. I have also just reestablished the National Space Council headed by Vice-President Quayle to coordinate our future space efforts.

But we can't stop there -- our future won't allow it. So, let us also invest in the Superconducting Super Collider -- a bold new experiment fusing science, technology, and education. Because science is so critical, let us double the National Science Foundation budget by 1993. And let us use America's technological prowess to expand free and fair trade. I'm talking about excellence in such fields as microcomputers, superconductivity, and, yes, aerospace.

In aerospace, we can point with pride to satellites whose technology is American. Satellites like the Superbird satellite -- among the largest -- 5,500 pounds -- and most powerful

commercial communications satellites yet developed . . . 5,500 pounds? That's even bigger than the 49ers' offensive line.

Today, American satellites are among the most competitive spacecraft for customers who want affordable high-powered communications satellites. And they are providing regular and cable television access, telephone lines, newspaper transmission, and other telecommunications services. Best of all, they are just a preview of the next generation of satellites. In the 21st Century, they will keep America No. 1.

You know, that-proclaimed philosopher, Satchel Paige, was once asked the secret of his competitiveness. "Don't look back," he replied. "Somebody might be gaining on you."

Satchel Paige, like high-technology, knew that as Americans we look ahead, not back. Always have. And must, now, more than ever. For the coming decade will see, and shape, a rapidly changing workforce. To invest its talents will be our challenge as a Nation.

According to the National Science Foundation, for instance, by the year 2000 the college-age population will have shrunk almost 20 per cent. Among college-age youth, minorities will comprise 1/3. And women, minorities, and immigrants will total almost 2/3 of new entrants to the labor force.

These facts demand a new investment to build a more competitive America. It's an investment different from lower capital gains taxes, more funds for space, and other high-technology, but it is vital. I'm referring, of course, to child care.

At Ford Aerospace, officials are responding to changing demographics and the needs of its employees. By increasing parental options, Ford's Employee Assistance Program is helping to keep us competitive. And it is involving community agencies as child-care resource referrals. Like the YMCA Child Care Center in Palo Alto, approved and supported by the United Way.

I salute your example. And I applaud its emphasis on choice. Now, there are some Congressional child care initiatives -- well-meaning initiatives -- but which don't reflect this emphasis. Our new child care initiative does. Our proposal urges a new tax credit to make child care more affordable. And it puts money in the hands of low-income parents, limits Federal intervention, and increases options. A church can help, or grandparents, or professional nursery. When it comes to child care, we say: "Let the parents decide."

For in the end, my friends, it's decisions we come down to. Decisions to say "Yes" to child care, more funds for space, and

other high-technology. Decisions which serve the entire community: Workers, investors, students, parents. Decisions to invest in America so that we can create a more competitive America.

As Californians, you know what I'm talking about. You have always believed in daring, aspiring, and charting unexplored frontiers. You look ahead, not back. You know that nothing is impossible. And by giving of yourselves, and to your country, you give lift to the American Dream.

Thank you for that, and for your kindness and generosity. God bless you, and God bless America.

# # # #

1989 APR 25 PM 11:30

REMARKS: FORD AEROSPACE  
PALO ALTO, CALIFORNIA  
APRIL 25, 1989/9:30 AM

THANK YOU FOR THAT INTRODUCTION, AND FOR YOUR  
GENEROUS WELCOME. IT IS A PLEASURE TO BE IN THE BAY  
AREA, AND AMONG FRIENDS.

YOU KNOW, I REALIZE I'M TAKING A CHANCE BY QUOTING  
HIM IN NORTHERN CALIFORNIA.

- 2 -

BUT IT WAS THAT NOTED GOURMET, DODGERS MANAGER TOMMY  
LASORDA, WHO CONCEDED, "I'M ON A SEA-FOOD DIET. I EAT  
ALL THE FOOD I CAN SEE."

TOMMY'S NOT LIKE MOST OF US: HE NEVER MET A MEAL  
HE DIDN'T LIKE. AND IF YOU ASK, HE'LL INSIST THAT FOOD  
RANKS AMONG HIS MOST PRECIOUS INVESTMENTS. IT UPLIFTS  
HIS PERFORMANCE, MENTALLY AND PHYSICALLY. IT ENHANCES  
HIS ABILITY TO COMPETE AND, INDIRECTLY, TO KEEP THE  
DODGERS No. 1.

- 3 -

I'M SURE YOU'VE ALL HEARD THE OLD SAYING, "NEVER INVEST YOUR MONEY IN ANYTHING THAT EATS OR NEEDS REPAINTING."

WELL, TODAY, I WANT TO TALK ABOUT A DIFFERENT KIND OF INVESTMENT. INVESTMENTS WHICH PRIZE THE NEW HORIZONS OF AMERICA'S TECHNOLOGICAL FUTURE. INVESTMENTS WHICH CAN CREATE NEW JOBS, UNLOCK NEW MARKETS, AND UNLEASH NEW TECHNOLOGIES.

- 4 -

INVESTMENTS, IN SHORT, WHICH WILL MAKE US MORE COMPETITIVE AND KEEP AMERICA No. 1.

IN A SENSE, THIS ATTITUDE IS TYPICALLY AMERICAN. FOR WE ARE, AT HEART, A COMPETITIVE PEOPLE. WE MEASURE LIFE BY TODAY'S DOW JONES AVERAGE [LOOK AT WATCH] . . . 9:30 A.M., UP \_\_\_ POINTS. OR BY HOW OUR BALL CLUB DID MOST RECENTLY . . . [[A'S \_\_\_, \_\_\_ . . . ANGELS \_\_\_, \_\_\_ . . . GIANTS \_\_\_, DODGERS \_\_\_ . . . SORRY, TOMMY.]]

AS AMERICANS, WE EXPECT SHORT-TERM RESULTS. AND, HISTORICALLY, WE GET THEM. GOVERNMENT'S ROLE IS TO UNLEASH AMERICA'S AMBITION -- TO MAKE US MORE COMPETITIVE -- BY POINTING TOWARD THE 21ST CENTURY, ENSURING LONG-TERM RESULTS.

THE BEST INVESTMENT IN THE FUTURE IS TO SLASH THE FEDERAL DEFICIT. EVERY DOLLAR THE GOVERNMENT DOES NOT BORROW MEANS MORE CAPITAL AVAILABLE FOR INVESTMENT.

RECENTLY, I UNVEILED AN IMPORTANT BIPARTISAN BUDGET AGREEMENT WITH CONGRESS TO REDUCE THE DEFICIT. OUR ACCORD WILL NARROW IT TO \$99.4 BILLION IN THE FISCAL YEAR THAT BEGINS OCTOBER 1. THAT'S FAR BELOW THE \$163 BILLION ESTIMATED FOR THE CURRENT FISCAL YEAR.

NOW, THIS PLAN'S AN AGREED OUTLINE -- TOUGH TALKS STILL LIE AHEAD. AND WE WILL RESUME CONSULTATIONS SOON ON A PLAN AIMED AT BALANCING THE BUDGET BY 1993.

THINK OF DEFICIT REDUCTION AS EXERCISE, LIKE WALKING THE DOG EVERY DAY . . . BELIEVE ME, I KNOW. EXERCISE KEEPS YOU AT THE TOP OF YOUR GAME. AND SO WILL ANOTHER INVESTMENT TO BUILD A MORE COMPETITIVE AMERICA -- ONE OF MANY I'LL BE ASKING THE CONGRESS TO MAKE. I REFER TO RESTORING THE CAPITAL GAINS DIFFERENTIAL -- A STEP WHICH, ACCORDING TO TREASURY ESTIMATES, WILL RAISE \$4.8 BILLION IN NEW REVENUE.

MY FRIENDS, I'VE HEARD, AS YOU HAVE, THE CRITICISM OF PEOPLE WHO RIDICULE CUTTING THE CAPITAL GAINS TAX AS SOMEHOW A "TAX BREAK" FOR THE RICH. WELL, THEY COULDN'T BE MORE WRONG. LOWER CAPITAL GAINS TAXES WILL CREATE JOBS FOR THOSE WHO DON'T HAVE JOBS, AND HELP BUILD A BETTER AMERICA.

CONSIDER, ON THE ONE HAND, THOSE COUNTRIES WHICH CRIPPLE OPPORTUNITY. THEY KNOW, FIRST-HAND, THE DAMAGE CAUSED BY EXCESSIVE TAXATION ON CAPITAL GAINS.

THEN CONSIDER THAT OUR SECOND-LARGEST TRADING PARTNER, JAPAN, HAS TAXED THEM LITTLE, IF AT ALL.

THE LESSON IS SELF-EVIDENT: RESTORING THE CAPITAL GAINS DIFFERENTIAL WILL MAKE AMERICA MORE COMPETITIVE. OUR PLAN SUPPORTS REDUCING IT TO 15 PER CENT ON LONG-HELD ASSETS. SO, LET US ACT TO LIFT REVENUE, HELP SAVINGS, AND FREE AMERICAN BUSINESSES, WITHOUT DISTORTING WORLD MARKETS.

YOU KNOW, ORDINARILY I TAKE STATISTICS WITH A GRAIN OF SALT. I'VE SEEN TOO MANY POLITICAL POLLS GO UP AND DOWN. PERHAPS THE LATE, GREAT WOODY HAYES PUT IT BEST: "STATISTICS," HE SAID, "ALWAYS REMIND ME OF THE FELLOW WHO DROWNED IN A RIVER WHOSE AVERAGE DEPTH WAS ONLY THREE FEET."

BUT ONE STATISTIC DOES BEAR RECITING. SINCE NOVEMBER 1982, NEARLY 20 MILLION NEW JOBS HAVE BEEN CREATED IN THIS COUNTRY.

- 11 -

MANY HAVE BEEN CREATED RIGHT HERE IN SILICON VALLEY. WELL, THROUGH INVESTMENTS TO INCREASE COMPETITIVENESS, WE CAN DO STILL BETTER.

FOR INSTANCE, WE'VE PROPOSED A PERMANENT EXTENSION OF THE RESEARCH AND EXPERIMENTATION TAX CREDIT. AMERICA MUST REMAIN IN THE FRONT LINES OF TECHNOLOGICAL INNOVATION. AND WE WANT TO ACTIVELY INCREASE DOMESTIC RESEARCH BY MULTINATIONALS, AND END THE UNCERTAINTY OF EXPIRING TEMPORARY RULES.

- 12 -

THESE STEPS, AND OTHERS, CAN HELP US WALK THE UNEXPLORED FRONTIERS OF HIGH-TECHNOLOGY. FOR HIGH-TECH IS POTENT, PRECISE, AND IN THE END, UNBEATABLE . . . (( TRUTH IS, IT SORT OF REMINDS A LOT OF PEOPLE OF THE WAY I PITCH HORSESHOES [PAUSE] . . . WOULD YOU BELIEVE SOME OF THE PEOPLE? [PAUSE] . . . WOULD YOU BELIEVE MILLIE AND HER PUPS? [PAUSE] . . . JUST ASKING.))

- 13 -

MY FRIENDS, I WANT TO GIVE THE HIGH-FIVE TO HIGH-TECH. AND I WANT TO DO IT BY INVESTING IN COMPETITIVENESS.

THAT IS WHY I HAVE ASKED CONGRESS FOR AN INCREASE OF \$2.4 BILLION FOR NASA AS IT MOVES AHEAD WITH SPACE STATION FREEDOM, PLANNED FOR OPERATION BY THE MID-1990s. AND, I WANT TO ELEVATE THE STATUS OF THE PRESIDENT'S SCIENCE ADVISOR.

- 14 -

I HAVE ALSO JUST REESTABLISHED THE NATIONAL SPACE COUNCIL HEADED BY VICE-PRESIDENT QUAYLE TO COORDINATE OUR FUTURE SPACE EFFORTS.

BUT WE CAN'T STOP THERE -- OUR FUTURE WON'T ALLOW IT. SO, LET US ALSO INVEST IN THE SUPERCONDUCTING SUPER COLLIDER -- A BOLD NEW EXPERIMENT FUSING SCIENCE, TECHNOLOGY, AND EDUCATION. BECAUSE SCIENCE IS SO CRITICAL, LET US DOUBLE THE NATIONAL SCIENCE FOUNDATION BUDGET BY 1993.

- 15 -

AND LET US USE AMERICA'S TECHNOLOGICAL PROWESS TO EXPAND FREE AND FAIR TRADE. I'M TALKING ABOUT EXCELLENCE IN SUCH FIELDS AS MICROCOMPUTERS, SUPERCONDUCTIVITY, AND, YES, AEROSPACE.

- 16 -

IN AEROSPACE, WE CAN POINT WITH PRIDE TO SATELLITES WHOSE TECHNOLOGY IS AMERICAN. SATELLITES LIKE THE SUPERBIRD SATELLITE -- AMONG THE LARGEST -- 5,500 POUNDS -- AND MOST POWERFUL COMMERCIAL COMMUNICATIONS SATELLITES YET DEVELOPED . . . 5,500 POUNDS? THAT'S EVEN BIGGER THAN THE 49ERS' OFFENSIVE LINE.

TODAY, AMERICAN SATELLITES ARE AMONG THE MOST COMPETITIVE SPACECRAFT FOR CUSTOMERS WHO WANT AFFORDABLE HIGH-POWERED COMMUNICATIONS SATELLITES.

- 17 -

AND THEY ARE PROVIDING REGULAR AND CABLE TELEVISION ACCESS, TELEPHONE LINES, NEWSPAPER TRANSMISSION, AND OTHER TELECOMMUNICATIONS SERVICES. BEST OF ALL, THEY ARE JUST A PREVIEW OF THE NEXT GENERATION OF SATELLITES. IN THE 21ST CENTURY, THEY WILL KEEP AMERICA No. 1.

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