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Malcolm Baldrige Award 11/2/89 [OA 3537]

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

November 2, 1989

REMARKS BY THE PRESIDENT
AT PRESENTATION OF
MALCOLM BALDRIGE NATIONAL QUALITY AWARDS

Malcolm Baldrige Hall
Commerce Department
Washington, D.C.

10:34 A.M. EST

THE PRESIDENT: Thank you all very much. Thank you, Secretary Mosbacher, for the warm welcome. It's great to be back across the street, almost, at this wonderful Department. I first want to salute the Baldrige family. A special hello to Midge. Of course, I'm delighted to see the Secretary of the Treasury here and Ambassador Hills. Able members of my Cabinet sitting next to them. Dr. Bromley, our Science Advisor who has a keen interest in the success of the work of this Department.

I want to salute Deputy Secretary Murrin and Under Secretary Betti. And I think I spotted Strom -- I know I did -- over here. And it's a little hard to see. But Jesse Helms was to be here, Congressman Sherry Boehlert, Don Ritter. George Brown, I do see. Howard Coble, Doug Walgren, Nancy Johnson. And if I missed a few -- Alec McMillan, I think. And I can't see who else we've got over there. But nevertheless, welcome to the members of Congress whose support is absolutely essential for the workings of the Commerce Department.

In just a few moments, it will be my pleasure to present awards named after a great public servant and a close and dear friend -- Malcolm Baldrige. So let me just say a few words about Mac. He had a zest for life -- Nancy, I didn't see you -- had a zest for live, love of family and a love of country that was uncommon. He was an outstanding Secretary of Commerce for six and a half years. And he was also an outstanding friend. Mac's word of honor -- as those of you who worked with him -- was his bond, as good as a \$20 gold piece.

And he never quite fit any mold. In this town, they always try to make you fit into some mold. Baldrige never quite fit the mold. He was the president of a successful company who spent a lot of his time with volunteer firemen when his wife wasn't doing that kind of work. He was the son of the East who rode horses and loved his place in New Mexico. He felt at home with cowboys because he roped with them all of his life. You'd never have known it from his friendly, easy-going manner, but he was also a bit of a perfectionist, in word and deed.

As a leader in business, Mac strived for quality in products; as Commerce Secretary, for quality in public policies. Even the language some of you may well remember, to your horror, the language of his memos was lean and exact. In fact, he had a special computer software program for Commerce Department documents; one that automatically weeded out jargon like "impacted," "viable," "infrastructure." (Laughter.) Sort of Gramm-Rudman cut of the English language, if you will. (Laughter.)

But like all perfectionists, he knew that perfection is not reaching the attainable. Rather, it's a never-ending quest for the unattainable. His life was such a quest, a life whose legacy

MORE

leaves us with a profound insight -- a truly successful man or woman is someone who has, indeed, served others.

Companies, like people, are successful only to the extent to which they provide service. This is true for all business, from the humblest mom-and-pop operation to the largest corporation.

The improvement of quality in products and the improvement of quality in service -- these are national priorities as never before. In recent years, Americans have felt the sting of fierce competition on a global scale. And we've learned to see foreign competition -- not as an excuse to close doors and raise barriers -- but as an incentive to renew our own commitment to excellence.

American managers have reconsidered every time-honored belief, every traditional practice, every customary procedure. And they've embraced what works and rejected the past. They've studied examples of innovation from home and abroad, and adopted only the best. And we now know the result of this historic reassessment: When it comes to meeting the competition, America is back in business.

We're here today to honor two companies that are leading this resurgence -- they're leading the resurgence in American business leadership. Most companies catch hell from the competition. But these two companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Of course, in business, success is its own reward. And yet all American firms benefit by having a standard of excellence to match and perhaps, one day, to surpass. For 1989 there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- Milliken & Company and the Xerox Corporation.

Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by the intense foreign and domestic competition. In the midst of this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment and the drive to win back that market share.

Both companies started down this path of reassessment with a simple premise: in business, there is only one definition of quality -- the customer's definition. And then they proceeded from this one premise to restructure their production and marketing plan. Sounds simple. But I know, as a former tiny businessman myself, how difficult it is to restructure a firm from top-to-bottom.

And today's winners know what is possible when a firm restructures itself from the bottom up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the intelligence, judgment and good character of the people it employs.

And there are as many successful forms of management as there are successful companies. But for these two companies, success came when they developed their human, as well as their technological, potential.

Milliken, for example -- a 125-year-old textile manufacturer in South Carolina. But its management style is sheer 21st century. Milliken scrapped the old management hierarchy in favor of what they call a "flat management structure." Good thing they're not a tire company. (Laughter.) Flat management structure. Milliken even gave a new title to its employees, calling them "associates." And this is no hollow accolade for public relations. Every Milliken employee, I'm told, truly is an associate. In fact, any Milliken worker has the power to halt that production line if he

or she detects a problem in quality or safety.

Our other winner takes a similar approach with its Team Xerox philosophy. Xerox employees are given the authority that they have to have, that they need to make day-to-day decisions. And they are, the company says, expected to take the initiative in finding and fixing problems. And they do. While every manager works, every worker is managing.

One of the best things about this award is that it allows successful companies to share what they have learned to set an example. Perhaps these two companies ought to merge -- and be careful of the antitrust. (Laughter.) Can you imagine it? Your wardrobes wouldn't just be coordinated; it would be collated. (Laughter and applause.)

Many firms will learn a great deal from their example. Others will need to follow their own path. But to those who say that we have lost our edge, that the days are past when "made in America" meant "the best" -- I say, tell that to the people of the Milliken plant in Spartansburg, South Carolina. Tell that to the Xerox teams in upstate, up in Monroe County, New York.

Quality products and service is no accident. It's the result of a certain can-do, no-excuses attitude -- an aggressive impatience with the status quo -- even in the best of times. And it's this attitude, more than anything else, that is responsible for the creation of wealth and jobs that we have seen over the last seven years.

In these years, our total national wealth has grown by almost a third, and more than 20 million new jobs created. And we are still enjoying the rewards of what has proven to be the longest peacetime expansion in American history.

So given the right policies -- and a reduced capital gains tax would be one -- Congress, I hope you're listening -- (applause) -- this expansion will continue. And given the right tools, the American people can reach even greater heights. The potential of this nation is as boundless as the imagination and drive of the American people. All we have to do for our citizens is what these two companies have done for their employees -- give them the freedom to do what they do best. Freedom to imagine, freedom to create, and freedom to excel. Our winners had such freedom and they certainly made the most of it.

I give my heartiest congratulations to Roger Milliken, who is here, and to David Kearns. And I give my heartiest congratulations to your employees, your associates. And thank you all for being here to honor these two successful stories.

Thank you very, very much. (Applause.)

END

10:45 A.M. EST

**MALCOLM BALDRIGE AWARD / COMMERCE DEPARTMENT
10:30 A.M., THURSDAY, Nov. 2, 1989**

THANK YOU SECRETARY MOSBACHER FOR THAT WARM WELCOME. I WANT TO SAY A SPECIAL HELLO TO MIDGE BALDRIGE, AND OF COURSE, SECRETARY BRADY AND AMBASSADOR HILLS. IT'S ALWAYS A PLEASURE TO SEE UNDERSECRETARY BETTI AND DR. BROMLEY.

I'M PLEASED WE ALSO HAVE WITH US SENATORS STROM THURMOND AND JESSE HELMS, CONGRESSMEN SHERRY BOEHLERT, DON RITTER, GEORGE BROWN, HOWARD COBLE, DOUG WALGREN, AND CONGRESSWOMAN NANCY JOHNSON.

- 2 -

IN JUST A FEW MOMENTS, IT WILL BE MY PLEASURE TO PRESENT AWARDS NAMED AFTER A GREAT PUBLIC SERVANT AND A VERY CLOSE AND DEAR FRIEND -- THE LATE MALCOLM BALDRIGE.

SO LET ME BEGIN THAN WITH A FEW WORDS ABOUT MAC. HE HAD A ZEST FOR LIFE, A LOVE OF FAMILY AND A LOVE OF COUNTRY THAT WAS UNCOMMON.

HE WAS AN OUTSTANDING SECRETARY OF COMMERCE FOR SIX AND A HALF YEARS. AND HE WAS ALSO AN OUTSTANDING FRIEND: MAC'S WORD OF HONOR WAS AS GOOD AS A TWENTY-DOLLAR GOLD PIECE.

BUT HE NEVER QUITE FIT ANY MOLD. THIS WAS THE PRESIDENT OF A SUCCESSFUL COMPANY WHO SPENT A LOT OF HIS TIME WITH VOLUNTEER FIREMEN. THIS WAS A SON OF THE EAST WHO RODE HORSES AND LOVED HIS PLACE IN NEW MEXICO.

HE FELT AT HOME WITH COWBOYS, BECAUSE HE ROPED WITH THEM ALL HIS LIFE.

YOU WOULD NEVER HAVE KNOWN IT FROM HIS FRIENDLY, EASY-GOING MANNER, BUT MAC WAS ALSO A PERFECTIONIST, IN WORD AND DEED. AS A LEADER IN BUSINESS, MAC STRIVED FOR QUALITY IN PRODUCTS; AS COMMERCE SECRETARY, FOR QUALITY IN PUBLIC POLICIES. EVEN THE LANGUAGE OF HIS MEMOS WAS LEAN AND EXACT.

((IN FACT, MAC HAD A SPECIAL COMPUTER SOFTWARE PROGRAM FOR COMMERCE DEPARTMENT DOCUMENTS; ONE THAT AUTOMATICALLY WEEDED OUT JARGON WORDS LIKE "IMPACTED," "VIABLE" AND "INFRASTRUCTURE". IT WAS A SORT OF GRAMM-RUDMAN CUT OF THE ENGLISH LANGUAGE.))

YET, LIKE ALL PERFECTIONISTS, MAC BALDRIGE KNEW THAT PERFECTION IS NOT REACHING THE ATTAINABLE. RATHER, IT IS A NEVER-ENDING QUEST FOR THE UNATTAINABLE.

HIS LIFE WAS SUCH A QUEST, A LIFE WHOSE LEGACY LEAVES US WITH A PROFOUND INSIGHT: A TRULY SUCCESSFUL MAN OR WOMAN IS SOMEONE WHO HAS SERVED OTHERS.

COMPANIES, LIKE PEOPLE, ARE SUCCESSFUL ONLY TO THE EXTENT TO WHICH THEY PROVIDE SERVICE. THIS IS TRUE FOR ALL BUSINESS, FROM THE HUMBLEST MOM-AND-POP OPERATION TO THE LARGEST CORPORATION.

THE IMPROVEMENT OF QUALITY IN PRODUCTS AND SERVICE IS A NATIONAL PRIORITY AS NEVER BEFORE.

IN RECENT YEARS, AMERICANS HAVE FELT THE STING OF FIERCE NEW COMPETITION ON A GLOBAL SCALE. AND WE HAVE LEARNED TO SEE FOREIGN COMPETITION -- NOT AS AN EXCUSE TO CLOSE DOORS AND RAISE PROTECTIVE BARRIERS -- BUT AS AN INCENTIVE TO RENEW OUR COMMITMENT TO EXCELLENCE.

AMERICAN MANAGERS HAVE RECONSIDERED EVERY TIME-HONORED BELIEF, EVERY TRADITIONAL PRACTICE, EVERY CUSTOMARY PROCEDURE. THEY HAVE EMBRACED WHAT WORKS, AND REJECTED THE REST.

THEY HAVE STUDIED EXAMPLES OF INNOVATION FROM HOME AND ABROAD, AND ADOPTED ONLY THE BEST. AND WE NOW KNOW THE RESULT OF THIS HISTORIC REASSESSMENT: WHEN IT COMES TO MEETING THE COMPETITION, AMERICA IS BACK IN BUSINESS. \\

WE ARE HERE TODAY TO HONOR TWO COMPANIES THAT ARE LEADING THIS RESURGENCE IN AMERICAN BUSINESS LEADERSHIP. MOST COMPANIES CATCH HELL FROM THE COMPETITION.

BUT THESE TWO COMPANIES ARE IN THE LEAD BECAUSE NO COMPETITOR GAVE THEM A TOUGHER TIME THAN THEY GAVE THEMSELVES.

OF COURSE, IN BUSINESS, SUCCESS IS ITS OWN REWARD. YET ALL AMERICAN FIRMS BENEFIT BY HAVING A STANDARD OF EXCELLENCE TO MATCH AND PERHAPS, ONE DAY, TO SURPASS.

FOR IN 1989, THERE CAN BE NO HIGHER STANDARD OF QUALITY MANAGEMENT THAN THOSE PROVIDED BY THE WINNERS OF THE MALCOLM BALDRIGE NATIONAL QUALITY AWARD -- MILLIKEN & COMPANY AND THE XEROX CORPORATION.

BOTH OF THESE MANUFACTURING FIRMS WERE WELL-ESTABLISHED LEADERS IN THEIR MARKETS. YET BOTH WERE BEING STEADILY SQUEEZED OUT BY INTENSE FOREIGN AND DOMESTIC COMPETITION.

IN THE MIDST OF THIS CRISIS, THE MEN AND WOMEN OF THESE COMPANIES FOUND WITHIN THEMSELVES THE WILL TO MAKE A PAINSTAKING REASSESSMENT AND THE DRIVE TO WIN BACK THEIR SHARE OF THE MARKET.

BOTH COMPANIES STARTED DOWN THIS PATH OF REASSESSMENT WITH A SIMPLE PREMISE: IN BUSINESS, THERE IS ONLY ONE DEFINITION OF QUALITY -- THE CUSTOMER'S DEFINITION.

AND THEN THEY PROCEEDED FROM THIS ONE PREMISE TO RESTRUCTURE THEIR PRODUCTION AND MARKETING PLANS. SOUNDS SIMPLE. BUT I KNOW, AS A FORMER BUSINESSMAN MYSELF, HOW DIFFICULT IT IS TO RESTRUCTURE A FIRM, TOP-TO-BOTTOM.

TODAY'S WINNERS KNOW WHAT IS POSSIBLE WHEN A FIRM RESTRUCTURES ITSELF FROM THE BOTTOM UP. THEY KNOW THAT A COMPANY CAN NO LONGER AFFORD TO REGARD EMPLOYEES AS AUTOMATONS IN A PRODUCTION LINE.

OUR OTHER WINNER TAKES A SIMILAR APPROACH WITH ITS TEAM XEROX PHILOSOPHY. XEROX EMPLOYEES ARE GIVEN THE AUTHORITY THEY NEED TO MAKE DAY-TO-DAY DECISIONS. THEY ARE, THE COMPANY SAYS, EXPECTED TO TAKE THE INITIATIVE IN FINDING AND FIXING PROBLEMS. AND THEY DO. WHILE EVERY MANAGER WORKS, EVERY WORKER IS MANAGING.

ONE OF THE BEST THINGS ABOUT THIS AWARD IS THAT IT ALLOWS SUCCESSFUL COMPANIES TO SHARE WHAT THEY HAVE LEARNED TO SET AN EXAMPLE.

((PERHAPS THESE TWO COMPANIES SHOULD MERGE. CAN YOU IMAGINE IT?\\ YOUR WARDROBE WOULDN'T JUST BE COORDINATED;\\ IT WOULD BE COLLATED.))

MANY FIRMS WILL LEARN A GREAT DEAL FROM THEIR EXAMPLE. OTHERS WILL NEED TO FOLLOW THEIR OWN PATH. BUT TO THOSE WHO SAY THAT WE HAVE LOST OUR EDGE, THAT THE DAYS ARE PAST WHEN "MADE IN AMERICA" MEANT "THE BEST" -- I SAY: TELL THAT TO THE PEOPLE OF THE MILLIKEN PLANT IN SPARTANBURG. TELL THAT TO THE XEROX TEAMS IN MONROE COUNTY, NEW YORK.

QUALITY PRODUCTS AND SERVICE IS NO ACCIDENT. IT IS THE RESULT OF A CERTAIN CAN-DO, NO-EXCUSES ATTITUDE -- AN AGGRESSIVE IMPATIENCE WITH THE STATUS QUO -- EVEN IN THE BEST OF TIMES. IT IS THIS ATTITUDE, MORE THAN ANYTHING ELSE, THAT IS RESPONSIBLE FOR THE CREATION OF WEALTH AND JOBS WE HAVE SEEN IN THE LAST SEVEN YEARS.

IN THESE YEARS, OUR TOTAL NATIONAL WEALTH HAS GROWN BY ALMOST A THIRD.

WE HAVE CREATED MORE THAN TWENTY MILLION NEW JOBS. AND WE ARE STILL ENJOYING THE REWARDS OF WHAT HAS PROVEN TO BE THE LONGEST PEACETIME ECONOMIC EXPANSION IN AMERICAN HISTORY.

GIVEN THE RIGHT POLICIES -- AND A REDUCED CAPITAL GAINS TAX WOULD CERTAINLY BE ONE -- THIS EXPANSION WILL CONTINUE. AND GIVEN THE RIGHT TOOLS, THE AMERICAN PEOPLE CAN REACH EVEN GREATER HEIGHTS.

THE POTENTIAL OF THIS NATION IS AS BOUNDLESS AS THE IMAGINATION AND DRIVE OF THE AMERICAN PEOPLE. ALL WE HAVE TO DO FOR OUR CITIZENS IS WHAT THESE TWO COMPANIES HAVE DONE FOR THEIR EMPLOYEES -- GIVE THEM THE FREEDOM TO DO WHAT THEY DO BEST. FREEDOM TO IMAGINE. FREEDOM TO CREATE. FREEDOM TO EXCEL.

OUR WINNERS HAD SUCH FREEDOM, AND THEY MADE THE MOST OF IT. I GIVE MY HEARTIEST CONGRATULATIONS TO THEM. THANK YOU, GOD BLESS YOU AND GOD BLESS AMERICA.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/31/89 ACTION/CONCURRENCE/COMMENT DUE BY: -----

SUBJECT: PRESIDENTIAL REMARKS: MALCOLM BALDRIDGE QUALITY AWARDS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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REMARKS:

The attached has been forwarded to the President.

RESPONSE:

89 OCT 31 PM 6:27

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

THE WHITE HOUSE
WASHINGTON

1989 OCT 30 PM 5:59

Oct. 30, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

Through: CHRISS WINSTON CW
From: MARK DAVIS MD
Subject: Malcolm Baldrige National Quality Award

SUMMARY: You will present this award for quality management to representatives of the Xerox Corporation and Milliken & Company (a South Carolina textile firm) on Thursday, 10:30 a.m., at the Malcolm Baldrige Hall of the Commerce Department. Your remarks run about ten minutes and will be on cards.

DISCUSSION: The speech begins with a personal remembrance of Malcolm Baldrige, based on your eulogy. The award which bears the late Secretary's name is patterned after the Deming prize in Japan: It honors companies that have achieved near-perfect results through smarter management.

To win the quality award, a company must survive a fiercely competitive process of tough queries and hundreds of hours of investigation by a panel of judges.

Both 1989 winners tell the same tale. They reversed their declining fortunes when they looked to their employees, encouraging them to take responsibility and to make decisions. So those who say that America has lost its competitive edge should first tell that to the people of Milliken and Team Xerox.

Davis/Martin
Oct. 30, 1989
Title: Award
Draft: Three

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
MALCOLM BALDRIGE HALL, COMMERCE DEPARTMENT
10:30 a.m., Thursday, Nov. 2, 1989**

((Acknowledgements to come.))

In just a few moments, it will be my pleasure to present awards named after a great public servant and a very close and dear friend -- the late Malcolm Baldrige.

So let me begin then with a few words about Mac. He had a zest for life, a love of family and a love of country that was uncommon. He was an outstanding Secretary of Commerce for six and a half years. And he was also an outstanding friend: Mac's word of honor was as good as a twenty-dollar gold piece.

But he never quite fit any mold. This was the President of a successful company who spent a lot of his time with volunteer firemen. This was a son of the East who rode horses and loved his place in New Mexico. He felt at home with cowboys, because he roped with them all his life.

You would never have known it from his friendly, easy-going manner, but Mac was also a perfectionist, in word and deed. As a leader in business, Mac strived for quality in products; as Commerce Secretary, for quality in public policies. Even the language of his memos was lean and exact. ((In fact, Mac had a special computer software program for Commerce Department documents; one that automatically weeded out jargon words like

"impacted," "viable" and "infrastructure". It was a sort of Gramm-Rudman cut of the English language.))

Yet, like all perfectionists, Mac Baldrige knew that perfection is not reaching the attainable. Rather, it is a never-ending quest for the unattainable. His life was such a quest, a life whose legacy leaves us with a profound insight: A truly successful man or woman is someone who has served others.

Companies, like people, are successful only to the extent to which they provide service. This is true for all business, from the humblest mom-and-pop operation to the largest corporation.

The improvement of quality in products and service is a national priority as never before. In recent years, Americans have felt the sting of fierce new competition on a global scale. And we have learned to see foreign competition -- not as an excuse to close doors and raise protective barriers -- but as an incentive to renew our commitment to excellence.

American managers have reconsidered every time-honored belief, every traditional practice, every customary procedure. They have embraced what works, and rejected the rest. They have studied examples of innovation from home and abroad, and adopted only the best. And we now know the result of this historic reassessment: **When it comes to meeting the competition, America is back in business.**\\

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Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by intense foreign and domestic competition. In the midst of this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment and the drive to win back their share of the market.

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employees -- give them the freedom to do what they do best.

Freedom to imagine. Freedom to create. Freedom to excel.

Our winners had such freedom, and they made the most of it.

I give my heartiest congratulations to them. Thank you, God

bless you and God bless America.

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Acknowledgements:

MALCOLM
BALDRIDGE
GE

Sec. Mosbacher

Midge Baldridge

Sec. Brady

Sec. Hills

Undersec. Betti (stand-in for Cheney)

Dr. Broomley

Sen. Strom Thurmond

Rep. Boehlert

Rep. Don Ritter -

new, not well know, but Quality
is his cause / sponsor of
National Quality Wk

Rep. Nancy Johnson

11/1 3:56 pm

THE WHITE HOUSE
WASHINGTON

Oct. 30, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

Through: CHRISS WINSTON CW
From: MARK DAVIS MD
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Davis/Martin
Oct. 30, 1989
Title: Award
Draft: Three

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~~MALCOLM BALDRIGE HALL, COMMERCE DEPARTMENT~~
10:30 a.m., Thursday, Nov. 2, 1989

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*Great - from Kim Kimball
6:30 10/31/89*

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American managers have reconsidered every time-honored belief, every traditional practice, every customary procedure. They have embraced what works, and rejected the rest. They have studied examples of innovation from home and abroad, and adopted only the best. And we now know the result of this historic reassessment: **When it comes to meeting the competition, America is back in business.**

We are here today to honor two companies that are leading this resurgence in American business leadership. Most companies

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Of course, in business, success is its own reward. Yet all American firms benefit by having a standard of excellence to match and perhaps, one day, to surpass. For in 1989, there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- Milliken & Company and the Xerox Corporation.

Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by intense foreign and domestic competition. In the midst of this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment and the drive to win back their share of the market.

Both companies started down this path of reassessment with a simple premise: in business, there is only one definition of quality -- the customer's definition. And then they proceeded from this one premise to restructure their production and marketing plans. Sounds simple. But I know, as a former businessman myself, how difficult it is to restructure a firm, top-to-bottom.

Today's winners know what is possible when a firm restructures itself from the bottom up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the

intelligence, judgment and good character of the people it employs.

There are as many successful forms of management as there are successful companies. But for these two companies, success came when they developed their human, as well as their technological, potential.

Milliken, for example, is a 124-year-old textile manufacturer in South Carolina. But it's management style is sheer 21st Century. Milliken scrapped the old management hierarchy in favor of what they call a "flat management structure." \\((Good thing they're not a tire company.))\\ Milliken even gave a new title to its employees, calling them "associates." This is no hollow accolade from public relations. Every Milliken employee truly is an associate. In fact, any Milliken worker has the power to halt the production line if he or she detects a problem in quality or safety.

Our other winner takes a similar approach with its Team Xerox philosophy. Xerox employees are given the authority they need to make day-to-day decisions. They are, the company says, expected to take the initiative in finding and fixing problems. And they do. While every manager works, every worker is managing.

One of the best things about this award is that it allows successful companies to share what they have learned to set an example. ((Perhaps these two companies should merge. Can you

imagine it?\\ Your wardrobe wouldn't just be coordinated;\\ it would be collated.))

Many firms will learn a great deal from their example. Others will need to follow their own path. But to those who say that we have lost our edge, that the days are past when "Made in America" meant "the best" -- I say: Tell that to the people of the Milliken plant in Spartansburg. Tell that to the Xerox teams in Monroe County, New York.

Quality products and service is no accident. It is the result of a certain can-do, no-excuses attitude -- an aggressive impatience with the status quo -- even in the best of times. It is this attitude, more than anything else, that is responsible for the creation of wealth and jobs we have seen in the last seven years.

In these years, our total national wealth has grown by almost a third. We have created more than twenty million new jobs. And we are still enjoying the rewards of what has proven to be the longest peacetime economic expansion in American history.

Given the right policies -- and a reduced capital gains tax would certainly be one -- this expansion will continue. And given the right tools, the American people can reach even greater heights. The potential of this nation is as boundless as the imagination and drive of the American people. All we have to do for our citizens is what these two companies have done for their

employees -- give them the freedom to do what they do best.
Freedom to imagine. Freedom to create. Freedom to excel.

Our winners had such freedom, and they made the most of it.
I give my heartiest congratulations to them. Thank you, God
bless you and God bless America.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/27/89

ACTION/CONCURRENCE/COMMENT DUE BY: 10/30/89 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: MALCOLM BALDRIDGE NATIONAL QUALITY AWARD

	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"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES <i>H/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<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 directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Monday, October 30, with a copy to my office. Thank you.

RESPONSE:

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

Davis/Martin
Oct. 30, 1989
Title: Award
Draft: Two

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
MALCOLM BALDRIGE HALL, COMMERCE DEPARTMENT
10:30 a.m., Thursday, Nov. 2, 1989**

((Midge Baldrige -- other acknowledgements to come.))

In just a few moments, it will be my pleasure to present awards named after a great public servant and a very close and dear friend -- the late Malcolm Baldrige.

So let me begin than with a few words about Mac. He had a zest for life, a love of family and a love of country that was uncommon. He was an outstanding Secretary of Commerce for six and a half years. And he was also an outstanding friend: Mac's word of honor was as good as a twenty-dollar gold piece.

But he never quite fit any mold. This was the President of a successful company who spent a lot of his time with volunteer firemen. This was a son of the East who rode horses and loved his place in New Mexico. He felt at home with cowboys, because he roped with them all his life.

You would never have known it from his friendly, easy-going manner, but Mac was also a perfectionist, in word and deed. As a leader in business, Mac strived for qualityⁱⁿ products; as Commerce Secretary, for quality in public policies. Even the language of his memos was lean and exact. ((In fact, Mac had a special computer software program for Commerce Department documents; one that automatically weeded out jargon words like "impacted,"

"viable" and "infrastructure". It was a sort of Gramm-Rudman cut of the English language.))

Yet, like all perfectionists, ^{MAC} ~~Malcolm~~ Baldrige knew that perfection is not ^(reaching the) attainable. Rather, it is a never-ending quest for the ~~un~~attainable. His life was such a quest, ^{a life whose legacy} ~~one that~~ leaves us with a profound insight: A truly successful man or woman is someone who has served others.

Companies, like people, ^{are successful only} also ~~succeed or fail~~ to the extent to which they provide service. This is true for ^{all business, from} ~~the~~ humblest mom-
~~and-pop operation and~~ ^{to} the largest corporation, ~~alike.~~

The improvement of quality in products and service is a national priority as never before. In recent years, Americans have felt the sting of fierce new competition on a global scale. And ~~after the initial shock,~~ ^{see} we have learned to ~~take~~ foreign competition -- not as an excuse to close doors and raise protective barriers -- but as an incentive to renew our commitment to excellence.

American managers have reconsidered every time-honored belief, every traditional practice, every customary procedure. They have embraced what works, and rejected the rest. They have studied examples of innovation from home and abroad, and adopted only the best. And we now know the result of this historic reassessment: **When it comes to meeting the competition, America is back in business.** \\

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Of course, in business, success is its own reward. Yet all American firms benefit by having a standard of excellence to ~~imitate~~, match and perhaps, one day, to surpass. For in 1989, there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- Milliken & Company and the Xerox Corporation.

Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by intense foreign and domestic competition. In the midst of this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment, and the drive to win back their share of the market.

Both companies started down this path of reassessment with a simple premise: ~~there is only one definition of quality -- the customer's definition.~~ ^{in business,} And then they proceeded from this one premise to restructure their production and marketing plans. Sounds simple. But I know, as a former businessman myself, how difficult it is to restructure a firm, top-to-bottom. ~~In fact, to tell you the truth, it's impossible.~~

Today's winners ^{know what} ~~learned that it~~ is possible ^{when} ~~for~~ a firm to restructure ^s ~~itself~~ ^{only} from the bottom ^X up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the

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Our other winner takes a similar approach with its Team Xerox philosophy. Xerox employees are given the authority they need to make day-to-day decisions. They are, the company says, expected to take the initiative in finding and fixing problems. And they do. While every manager works, every worker is managing.

One of the best things about this award~~X~~ is that it allows successful companies to share what they have learned~~/~~ to set an example. ((Perhaps these two companies should merge. Can you

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Porter

X
PORTER

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Davis/Martin
Oct. 30, 1989
Title: Award
Draft: Two

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
MALCOLM BALDRIGE HALL, COMMERCE DEPARTMENT
10:30 a.m., Thursday, Nov. 2, 1989**

Per Christina

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/27/89

ACTION/CONCURRENCE/COMMENT DUE BY: 10/30/89 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: MALCOLM BALDRIDGE NATIONAL QUALITY AWARD

	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"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<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 directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Monday, October 30, with a copy to my office. Thank you.

RESPONSE:

Please see comments.

10/30/89

legis. Affairs.

89 OCT 30 5:38

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

Davis/Martin
Oct. 25, 1989
Title: Award
Draft: One

1989 OCT 27 PM 2:48

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
COMMERCE DEPARTMENT
(10 a.m.) Thursday, Nov. 2, 1989**

((Acknowledgements))

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Like all perfectionists, Malcolm Baldrige knew that perfection is not attainable. Rather, it is a never ending quest for the unattainable. His life was such a quest, one that leaves us with a profound insight: A truly successful ^{person} ~~man or woman~~ is someone who ~~has served others~~ ^{constantly strives to improve himself ~~through~~ and the world around him.}

((Baldrige quotes ^{and} to come))
^{+ themselves their products, and} and service.

Companies, like people, also succeed or fail to the extent to which they ^{seek to improve themselves and the world in which they operate} ~~provide service~~. This is true for the humblest mom and pop operation and the largest corporation alike.

The improvement of quality in products and service is a national priority as never before. In recent years, Americans

have felt the sting of fierce new competition on a global scale. And after the initial shock, we have learned to take foreign competition -- not as an excuse to close doors and raise protective barriers -- but as an incentive to renew our commitment to excellence.

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Of course, in business, success is its own reward. Yet all American firms benefit by having a standard of excellence to imitate, match and perhaps one day to surpass. For in 1989, there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- the Smith and the Jones Companies.

Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by intense foreign and domestic competition. In the midst of

this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment; and the drive to win back their share of the market.

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Today's winners learned that it is possible for a firm to restructure itself only from the bottom, up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the intelligence, judgment and good character of the people it employs.

✓ ~~Kidding aside,~~ there are as many successful forms of management as there are successful companies. But for these two companies, success came when they developed their human, as well as their technological, potential.

Smith, for example, is a long-time manufacturer. But its management style is sheer 21st Century. Smith scrapped the old management hierarchy, in favor of what they call a "flat management structure." ((Good thing they're not a tire company.))\ Smith even gave a new title to its employees, calling them "associates." This is no hollow accolade from

public relations. Every Smith employee truly is an associate. In fact, any Smith worker has the power to halt the production line if he or she detects a problem in quality or safety.

Our other winner takes a similar approach with its ((company logo to come)) philosophy. Jones employees are given the authority they need to make day-to-day decisions. They are, the company says, expected to take the initiative in finding and fixing problems. And they do. While every manager works, every worker is managing.

One of the best things about this award, is that it allows successful companies to share what they have learned; to set an example. Many firms will learn a great deal from their example. Others will need to follow their own path. But one lesson is applicable to all: quality products and service is no accident. It is the result of a certain can-do, no-excuses attitude -- an aggressive impatience with the status quo -- even in the best of times. It is this attitude, more than anything else, that is responsible for the creation of wealth and jobs we have seen in the last seven years.

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THE WHITE HOUSE
WASHINGTON



October 30, 1989

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS

FROM: NELSON LUND 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: Malcolm Baldrige National
Quality Award

At the request of James W. Cicconi, Counsel's office has reviewed the captioned draft remarks. Based on the information available to us at this time, we have no legal objections. In particular, we are unaware of any information about the two award winning companies (the names of which were provided to this office by John Gardner) that would require the President to avoid associating himself with them in the manner implied by these draft remarks. We note, however, that we are checking additional sources of information. We expect to be able to complete this process by mid-day tomorrow, at which time we should be able to provide clearance for the remarks.

We have two minor editorial suggestions:

- (1) Page 3, third full paragraph, first line. The phrase "Kidding aside" seems out of place in this context.
- (2) Page 4, third full paragraph, last line. For the sake of clarity, you may wish to consider inserting the word "economic" between "peacetime" and "expansion."

Counsel's office appreciates having had the opportunity to review these draft remarks.

cc: James W. Cicconi

10:01 PM OCT 30 1989

THE WHITE HOUSE
WASHINGTON

October 30, 1989

Memorandum to Chriss Winston

From: Jim Pinkerton

Subject: Malcolm Baldrige Quality Awards Draft Speech

This speech does a serviceable job, but it lacks a certain amount of punch. We should treat these awards ceremonies as opportunities to send a message in addition to creating good will. It is possible for a President to make news by honoring a business (e.g., Reagan's honoring of Harley-Davidson).

For example, rather than saying that the potential of America is limited only by our imagination (see pg. 5, para. 1) -- a cliché; why not put it more incisively? E.g., "Some say that we have lost our edge; that the days when "Made in America" meant "The Best" are over. I say let them come to [locale of Smith and Jones company plants]."

2,3,3 "Most companies catch unmitigated hell from the competition."

The phrase "unmitigated hell" is a bit hackneyed and chest-beating; no longer profane, but in bad taste and certainly unnecessary.

3,2,2 "There is only one definition of quality -- the customer's definition."

We suggest adding "In business...", since quality depends on other judgements in other fields (art, for instance).

3,4,1 "Kidding aside..."

This leads the listener to think that the President has just told a joke, although he hasn't. Any other transition phrase will do, e.g., "It is often said that...."

(more)

2-2-2

3,5,1 "Smith even gave a new title to its employees, calling them 'associates.' This is no hollow accolade from public relations."

Chances are pretty good that "associates" is precisely an accolade done more for reasons of p.r. than to suggest that the Smith employees are no longer actual employees. The substance of Smith's innovation is the fact that the workers can stop the production line. Therefore, it is the latter which the President should emphasize. We suggest mentioning the "associates" title only incidentally in the course of explaining the production line innovation.

4, 3, 5 "...quality products and service is no accident."

This is a paraphrase of Ruskin's famous line that "There is nothing accidental about quality." Perhaps if the source is cited it will lessen the slightly cliché flavor of the line.

###

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 10/30/89 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: MALCOLM BALDRIDGE NATIONAL QUALITY AWARD

	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"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<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 directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Monday, October 30, with a copy to my office. Thank you.

RESPONSE:

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

C. Martins
Copy

Eulogy 7-30-87 Woodbury Conn

SCOTTISH POET ROBERT BURNS WROTE ... "PRINCES AND LORDS ARE BUT THE BREATH OF KINGS ... AND HONEST MAN IS THE NOBLEST WORK OF GOD.... MAC WAS AN HONEST MAN.

HE NEVER QUITE ANY MOLD You'd HAVE THOUGHT THIS SON OF ~~HOCHKISS~~ ^{FIT} AND TALE WOULD FIT INTO AN EASTERN MOLD. NOT

SO..... WITH HIS BUSINESS SUIT HE WORE THAT HAND TOOLED BELT AND MASSIVE BUCKLE, ^{EVERN THEY COULDN'T KEEP THOSE DROOPY} HE RODE HORSES AND HE LOVED HIS

PLACE IN NEW MEXICO. HE FELT AT HOME WITH THE COWBOYS HE ROPED WITH ALLHIS LIFE.... THE BROTHERS OF THOSE WHO SALUTED

HIM SATURDAY NIGHT AT CONTRA COSTA COUNTY, CALIFORNIA.

over those slow hagio
of his
PANTS
NO PROPERTY
NEVER
FORGET
HIM ON
THE
TENNIS
COURT
Ladies day 5-10-87

@ -2-

BLACK

The RIDERLESS ~~BALCK~~ HORSE MADE ITS WAY AROUND THE ARENA AND GROWN MEN WEPT..... YOU:D "VE THOUGHT THE PRESIDENT

OF SCOVIL MIGHT HAVE BEEN TOO BUSY AND TOO SUCCESSFUL TO

GIVE TIME TO COMMUNITY AND COUNTRY. NOT SO. ^{HE WAS IN IT AROUND HERE RIGHT UP TO HIS EYEBALLS - HELPING OTHERS} ONE TIME MAC TOOK ME BY THE WOODBURY VOLUNTEER FIRE DEPT.

WHERE MIDGE WAS AN ACTIVE MEMBER. THERE WASN'T A FIREMAN IN THE PLACE WHO MIDGE AND MAC DIDNT LOVE AND VICE VERSA.

.....ANOTHER TIME WHEN WE WERE WORKING THE POLITICAL TRENCHES IN SOME SMALL TOWN, ONE OF ITALY'S SONS ,NOW A DEDICATED PRECINCT WORKER IN THE U.S. OF A TOLD ME ... "THAT MAC

-3-

IS ONE CLASS SON OF A _____" (YOU KNOW WHAT HE SAID)...THEN
HE ADDED ROSE AND I LOVE THE GUY."

MAC STAYED FIT. BUT HE DID IT HIS WAY. YES HE RODE, BUT
DID YOU EVER SEE HIM JOG? IT WAS LIKE WATCHING GRASS GROW
BUT HE FINISHED STRONG... ALL THROUGH HIS LIFE HE FINISHED
STRONG..... NO THERE IS NO SINGLE REASON WHY MACS SHOULDERS
WERE TOO BROAD TO FIT ANY PARTICULAR MOLD IT WAS HIS ZEST
FOR LIFE, HIS LOVE OF FAMILY ~~AND OF ALL PEOPLE~~, HIS SERVICE
TO HIS COUNTRY IN COMBAT, HIS PRINCIPLED LEADERSHIP AS SEC.
OF COMMERCE FOR 6½ DEDICATED YEARS. IT WAS HONOR AND INTEGRITY

-4-

Mac's word OF HONOR WAS AS GOOD AS A \$20 GOLD PIECE
AND HE WAS STRONG GUY, BUT HE DINT HAVE TO RAISE HIS VOICE
TO PROJECT HIS STRENGTH.....ON MEMORIAL DAY LAST YEAR HE
SPOKE AT OUR LITTLE CHURCH NEAR MAINES ROCKBOUND ~~CHURCH~~ ^{COAST}
HE TOLD A MOVING ^{1st Hand} STORY OF CONFLICTS OF WAR... THE AGONY
OF TAKING A LIFE, THE POSSIBILITY OF RECONCILIATION AND
FORGIVENESS. AS ALWAYS MAC DIDNT USE MANY WORDS BUT
HE SAID SO MUCH..... HIS DAUGHTERS REVERED HIM...
MIDGE ADORED HIM ... AND I LOVED HIM LIKE A BROTHER....
THIS HONEST MAN WAS INDEED THE NOBLEST WORK OF GOD.

Davis/Martin
Oct. 25, 1989
Title: Award
Draft: One

1989 OCT 27 PM 2:48

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
COMMERCE DEPARTMENT
((10 a.m.)) Thursday, Nov. 2, 1989**

((Acknowledgements))

In just a few moments, it will be my pleasure to bestow an award named after a great public servant and a very close and dear friend -- the late Malcolm Baldrige.

You would never have known it from his friendly, easy-going manner, but Malcolm was a perfectionist, in word and deed. As a leader in business, Malcolm strived for quality products; as Commerce Secretary, for quality in public policies. Even the language of his memos was lean and exact.

Like all perfectionists, Malcolm Baldrige knew that perfection is not attainable. Rather, it is a never ending quest for the unattainable. His life was such a quest, one that leaves us with a profound insight: A truly successful man or woman is someone who has served others.

((Baldrige quotes to come))

Companies, like people, also succeed or fail to the extent to which they provide service. This is true for the humblest mom and pop operation and the largest corporation alike.

The improvement of quality in products and service is a national priority as never before. In recent years, Americans

have felt the sting of fierce new competition on a global scale. And after the initial shock, we have learned to take foreign competition -- not as an excuse to close doors and raise protective barriers -- but as an incentive to renew our commitment to excellence.

American managers have reconsidered every time-honored belief, every traditional practice, every customary procedure. They have embraced what works, and rejected the rest. They have studied examples of innovation from home and abroad, and adopted only the best. And we now know the result of this historic reassessment: **When it comes to meeting the competition, America is back in business.** \\

We are here today to honor two companies that are leading this resurgence in American business leadership. Most companies catch unmitigated hell from the competition. But these two companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Of course, in business, success is its own reward. Yet all American firms benefit by having a standard of excellence to imitate, match and perhaps one day to surpass. For in 1989, there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- the Smith and the Jones Companies.

Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by intense foreign and domestic competition. In the midst of

this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment; and the drive to win back their share of the market.

Both companies started down this path of reassessment with a simple premise: there is only one definition of quality -- the customer's definition. And then they proceeded from this one premise to restructure their production and marketing plans. Sounds simple. But I know, as a former businessman myself, how difficult it is to restructure a firm, top-to-bottom. In fact, to tell you the truth, it's impossible.

Today's winners learned that it is possible for a firm to restructure itself only from the bottom, up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the intelligence, judgment and good character of the people it employs.

Kidding aside, there are as many successful forms of management as there are successful companies. But for these two companies, success came when they developed their human, as well as their technological, potential.

Smith, for example, is a long-time manufacturer. But it's management style is sheer 21st Century. Smith scrapped the old management hierarchy, in favor of what they call a "flat management structure." ((Good thing they're not a tire company.))\\ Smith even gave a new title to its employees, calling them "associates." This is no hollow accolade from

public relations. Every Smith employee truly is an associate. In fact, any Smith worker has the power to halt the production line if he or she detects a problem in quality or safety.

Our other winner takes a similar approach with its ((company logo to come)) philosophy. Jones employees are given the authority they need to make day-to-day decisions. They are, the company says, expected to take the initiative in finding and fixing problems. And they do. While every manager works, every worker is managing.

One of the best things about this award, is that it allows successful companies to share what they have learned; to set an example. Many firms will learn a great deal from their example. Others will need to follow their own path. But one lesson is applicable to all: quality products and service is no accident. It is the result of a certain can-do, no-excuses attitude -- an aggressive impatience with the status quo -- even in the best of times. It is this attitude, more than anything else, that is responsible for the creation of wealth and jobs we have seen in the last seven years.

In these years, our total national wealth has grown by almost a third. We have created more than twenty million new jobs. And we are still enjoying the rewards of what has proven to be the longest peacetime expansion in American history.

Given the right policies -- and a reduced capital gains tax would certainly be one -- this expansion will continue. And given the right tools, the American people can reach even greater

heights. The potential of this nation is as boundless as the imagination and drive of the American people. All we have to do for our citizens is what these two companies have done for their employees -- give them the freedom to do what they do best. Freedom to imagine. Freedom to create. Freedom to excel.

Our winners had such freedom, and they made the most of it. I give my heartiest congratulations to them. Thank you, God bless you and God bless America.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 10/30/89 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: MALCOLM BALDRIDGE NATIONAL QUALITY AWARD

	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"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<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 directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Monday, October 30, with a copy to my office. Thank you.

RESPONSE:

OK SR

89 OCT 30 P 3: 21

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

1989 OCT 27 PM 2:48

Davis/Martin
Oct. 25, 1989
Title: Award
Draft: One

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
COMMERCE DEPARTMENT
((10 a.m.)) Thursday, Nov. 2, 1989**

((Acknowledgements))

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this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment; and the drive to win back their share of the market.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503



NOTICE:

Enclosed are comments from staff members of the Office of Management and Budget (OMB). Such comments do not necessarily represent the official position of the Director of OMB or of the Office of Management and Budget. If you wish to have the Director's personal comments, please let me know -- and contact me if you have any questions.

A handwritten signature in black ink, which appears to read "David J. Haun", is positioned above the typed name.

David J. Haun
Executive Assistant
to the Director

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/27/89ACTION/CONCURRENCE/COMMENT DUE BY: 10/30/89 4:00 PMSUBJECT: PRESIDENTIAL REMARKS: MALCOLM BALDRIDGE NATIONAL QUALITY AWARD

		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"/>
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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:

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RESPONSE:

See comments

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

Davis/Martin
Oct. 25, 1989
Title: Award
Draft: One

1989 OCT 27 PM 2:48

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COMMERCE DEPARTMENT
((10 a.m.)) Thursday, Nov. 2, 1989

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^{Dale x3080} Like all perfectionists, ^{Mac}Malcolm Baldrige knew that perfection is not ^{reaching the} attainable. Rather, it is a never-ending quest for the ^{just} unattainable. His life was ^{And an Examination of that life} such a quest ^{one that} leaves us with a profound insight: A truly successful man or woman is someone who has served others. ^{Mollen x3060}

((Baldrige quotes to come))

Companies, like people, ^{are successful only} ~~also succeed or fail~~ to the extent ^{all businesses, from} to which they provide service. This is true for the humblest mom-
and-pop operation ^{to} ~~and~~ the largest corporation ~~alike~~. ^{Mollen x3060}

The improvement of quality in products and service is a national priority as never before. In recent years, Americans

have felt the sting of fierce new competition on a global scale. And ~~(after the initial shock,)~~ we have learned to ^{see} ~~(take)~~ foreign competition -- not as an excuse to close doors and raise protective barriers -- but as an incentive to renew our commitment to excellence.

Mollen
x 3060

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Mollen
x 3060

Mollen
x 3060

Of course, in business, success is its own reward. Yet all American firms benefit by having a standard of excellence to ~~imitate~~ match and perhaps one day to surpass. For in 1989, there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- the Smith and the Jones Companies.

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this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment, and the drive to win back their share of the market.

Muller
x3060

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(Where in the previous paragraph was the President heading?)

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Mullin
x 3060

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Both companies started down this path of reassessment with a simple premise: there is only one definition of quality -- the customer's definition. And then they proceeded from this one premise to restructure their production and marketing plans. Sounds simple. But I know, as a former businessman myself, how difficult it is to restructure a firm, top-to-bottom. In fact, to tell you the truth, it's impossible.

Today's winners learned that it is possible for a firm to restructure itself only from the bottom, up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the intelligence, judgment and good character of the people it employs.

Kidding aside, there are as many successful forms of management as there are successful companies. But for these two companies, success came when they developed their human, as well as their technological, potential.

Smith, for example, is a long-time manufacturer. But its management style is sheer 21st Century. Smith scrapped the old management hierarchy, in favor of what they call a "flat management structure." ((Good thing they're not a tire company.))\ Smith even gave a new title to its employees, calling them "associates." This is no hollow accolade from

public relations. Every Smith employee truly is an associate. In fact, any Smith worker has the power to halt the production line if he or she detects a problem in quality or safety.

Our other winner takes a similar approach with its ((company logo to come)) philosophy. Jones employees are given the authority they need to make day-to-day decisions. They are, the company says, expected to take the initiative in finding and fixing problems. And they do. While every manager works, every worker is managing.

One of the best things about this award, is that it allows successful companies to share what they have learned; to set an example. Many firms will learn a great deal from their example. Others will need to follow their own path. But one lesson is applicable to all: quality products and service is no accident. It is the result of a certain can-do, no-excuses attitude -- an aggressive impatience with the status quo -- even in the best of times. It is this attitude, more than anything else, that is responsible for the creation of wealth and jobs we have seen in the last seven years.

In these years, our total national wealth has grown by almost a third. We have created more than twenty million new jobs. And we are still enjoying the rewards of what has proven to be the longest peacetime expansion in American history.

Given the right policies -- and a reduced capital gains tax would certainly be one -- this expansion will continue. And given the right tools, the American people can reach even greater

heights. The potential of this nation is as boundless as the imagination and drive of the American people. All we have to do for our citizens is what these two companies have done for their employees -- give them the freedom to do what they do best. Freedom to imagine. Freedom to create. Freedom to excel.

Our winners had such freedom, and they made the most of it. I give my heartiest congratulations to them. Thank you, God bless you and God bless America.

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THE WHITE HOUSE
WASHINGTON

October 30, 1989

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*
SUBJECT: Presidential Remarks: Malcolm Baldrige
National Quality Award

The draft remarks look fine. We have two suggested changes which we believe will improve the speech.

We recommend the last sentence of the first full paragraph on page three be deleted. The sentence begins, "In fact, to tell you...." Many companies are successfully restructured from the "top to bottom". We also recommend the changes noted on the attached draft in the first sentence of the second full paragraph of page three be incorporated.

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

cc: James W. Cicconi

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/27/89ACTION/CONCURRENCE/COMMENT DUE BY: 10/30/89 4:00 PMSUBJECT: PRESIDENTIAL REMARKS: MALCOLM BALDRIDGE NATIONAL QUALITY AWARD

		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"/>		ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>		UNTERMAYER	<input 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>PINKERTON</u>	<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 directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Monday, October 30, with a copy to my office. Thank you.

RESPONSE:

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

Davis/Martin
Oct. 25, 1989
Title: Award
Draft: One

1989 OCT 27 PM 2:48

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
COMMERCE DEPARTMENT
((10 a.m.)) Thursday, Nov. 2, 1989**

((Acknowledgements))

In just a few moments, it will be my pleasure to bestow an award named after a great public servant and a very close and dear friend -- the late Malcolm Baldrige.

You would never have known it from his friendly, easy-going manner, but Malcolm was a perfectionist, in word and deed. As a leader in business, Malcolm strived for quality products; as Commerce Secretary, for quality in public policies. ~~Even~~ the language of his memos was lean and exact. *stet*

Like all perfectionists, Malcolm Baldrige knew that perfection is not attainable. Rather, it is a never ending quest for the unattainable. His life was such a quest, one that leaves us with a profound insight: A truly successful man or woman is someone who has served others.

((Baldrige quotes to come))

Companies, like people, also succeed or fail to the extent to which they provide service. This is true for the humblest mom and pop operation and the largest corporation alike.

The improvement of quality in products and service is a national priority as never before. In recent years, Americans

have felt the sting of fierce new competition on a global scale. And after the initial shock, we have learned to take foreign competition -- not as an excuse to close doors and raise protective barriers -- but as an incentive to renew our commitment to excellence.

American managers have reconsidered every time-honored belief, every traditional practice, every customary procedure. They have embraced what works, and rejected the rest. They have studied examples of innovation from home and abroad, and adopted only the best. And we now know the result of this historic reassessment: **When it comes to meeting the competition, America is back in business.**\\

We are here today to honor two companies that are leading this resurgence in American business leadership. Most companies catch unmitigated hell from the competition. But these two companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Of course, in business, success is its own reward. Yet all American firms benefit by having a standard of excellence to imitate, match and perhaps one day to surpass. For in 1989, there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- the Smith and the Jones Companies.

Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by intense foreign and domestic competition. In the midst of

this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment; and the drive to win back their share of the market.

Both companies started down this path of reassessment with a simple premise: there is only one definition of quality -- the customer's definition. And then they proceeded from this one premise to restructure their production and marketing plans. Sounds simple. But I know, as a former businessman myself, how difficult it is to restructure a firm, top-to-bottom. ~~In fact, to tell you the truth, it's impossible.~~

Today's winners learned ^{WHAT} ~~that it~~ is possible ^{WHEN} ~~for~~ a firm to restructure ~~itself only~~ from the bottom, up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the intelligence, judgment and good character of the people it employs.

Kidding aside, there are as many successful forms of management as there are successful companies. But for these two companies, success came when they developed their human, as well as their technological, potential.

Smith, for example, is a long-time manufacturer. But its management style is sheer 21st Century. Smith scrapped the old management hierarchy, in favor of what they call a "flat management structure." ((Good thing they're not a tire company.))\ Smith even gave a new title to its employees, calling them "associates." This is no hollow accolade from

public relations. Every Smith employee truly is an associate. In fact, any Smith worker has the power to halt the production line if he or she detects a problem in quality or safety.

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One of the best things about this award, is that it allows successful companies to share what they have learned; to set an example. Many firms will learn a great deal from their example. Others will need to follow their own path. But one lesson is applicable to all: quality products and service is no accident. It is the result of a certain can-do, no-excuses attitude -- an aggressive impatience with the status quo -- even in the best of times. It is this attitude, more than anything else, that is responsible for the creation of wealth and jobs we have seen in the last seven years.

In these years, our total national wealth has grown by almost a third. We have created more than twenty million new jobs. And we are still enjoying the rewards of what has proven to be the longest peacetime expansion in American history.

Given the right policies -- and a reduced capital gains tax would certainly be one -- this expansion will continue. And given the right tools, the American people can reach even greater

heights. The potential of this nation is as boundless as the imagination and drive of the American people. All we have to do for our citizens is what these two companies have done for their employees -- give them the freedom to do what they do best. Freedom to imagine. Freedom to create. Freedom to excel.

Our winners had such freedom, and they made the most of it. I give my heartiest congratulations to them. Thank you, God bless you and God bless America.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/27/89

ACTION/CONCURRENCE/COMMENT DUE BY: 10/30/89 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: MALCOLM BALDRIDGE NATIONAL QUALITY AWARD

	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"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, Monday, October 30, with a copy to my office. Thank you.

RESPONSE:

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*No Comment.
10/30/89*

OCT 31 10 39 AM '89

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

MALCOLM BALDRIGE AWARD / COMMERCE DEPARTMENT
10:30 A.M., THURSDAY, Nov. 2, 1989

THANK YOU SECRETARY MOSBACHER FOR THAT WARM WELCOME. I WANT TO SAY A SPECIAL HELLO TO MIDGE BALDRIDGE, AND OF COURSE, SECRETARY BRADY AND AMBASSADOR HILLS. IT'S ALWAYS A PLEASURE TO SEE UNDERSECRETARY BETTI AND DR. BROMLEY. *Dep Sec. Munn*

I'M PLEASED WE ALSO HAVE WITH US SENATORS STROM THURMOND AND JESSE HELMS, CONGRESSMEN SHERRY BOEHLERT, DON RITTER, GEORGE BROWN, HOWARD COBLE, DOUG WALGREN, AND CONGRESSWOMAN NANCY JOHNSON.

IN JUST A FEW MOMENTS, IT WILL BE MY PLEASURE TO PRESENT AWARDS NAMED AFTER A GREAT PUBLIC SERVANT AND A VERY CLOSE AND DEAR FRIEND -- THE LATE MALCOLM BALDRIGE.

SO LET ME BEGIN THAN WITH A FEW WORDS ABOUT MAC. HE HAD A ZEST FOR LIFE, A LOVE OF FAMILY AND A LOVE OF COUNTRY THAT WAS UNCOMMON.

HE WAS AN OUTSTANDING SECRETARY OF COMMERCE FOR SIX AND A HALF YEARS. AND HE WAS ALSO AN OUTSTANDING FRIEND: MAC'S WORD OF HONOR WAS AS GOOD AS A TWENTY-DOLLAR GOLD PIECE.

BUT HE NEVER QUITE FIT ANY MOLD. THIS WAS THE PRESIDENT OF A SUCCESSFUL COMPANY WHO SPENT A LOT OF HIS TIME WITH VOLUNTEER FIREMEN. THIS WAS A SON OF THE EAST WHO RODE HORSES AND LOVED HIS PLACE IN NEW MEXICO.

HE FELT AT HOME WITH COWBOYS, BECAUSE HE ROPED WITH THEM ALL HIS LIFE.

YOU WOULD NEVER HAVE KNOWN IT FROM HIS FRIENDLY, EASY-GOING MANNER, BUT MAC WAS ALSO A PERFECTIONIST, IN WORD AND DEED. AS A LEADER IN BUSINESS, MAC STRIVED FOR QUALITY IN PRODUCTS; AS COMMERCE SECRETARY, FOR QUALITY IN PUBLIC POLICIES. EVEN THE LANGUAGE OF HIS MEMOS WAS LEAN AND EXACT.

((IN FACT, MAC HAD A SPECIAL COMPUTER SOFTWARE PROGRAM FOR COMMERCE DEPARTMENT DOCUMENTS; ONE THAT AUTOMATICALLY WEEDED OUT JARGON WORDS LIKE "IMPACTED," "VIABLE" AND "INFRASTRUCTURE". IT WAS A SORT OF GRAMM-RUDMAN CUT OF THE ENGLISH LANGUAGE.))

YET, LIKE ALL PERFECTIONISTS, MAC BALDRIGE KNEW THAT PERFECTION IS NOT REACHING THE ATTAINABLE. RATHER, IT IS A NEVER-ENDING QUEST FOR THE UNATTAINABLE.

HIS LIFE WAS SUCH A QUEST, A LIFE WHOSE LEGACY LEAVES US WITH A PROFOUND INSIGHT: A TRULY SUCCESSFUL MAN OR WOMAN IS SOMEONE WHO HAS SERVED OTHERS.

COMPANIES, LIKE PEOPLE, ARE SUCCESSFUL ONLY TO THE EXTENT TO WHICH THEY PROVIDE SERVICE. THIS IS TRUE FOR ALL BUSINESS, FROM THE HUMBLEST MOM-AND-POP OPERATION TO THE LARGEST CORPORATION.

THE IMPROVEMENT OF QUALITY IN PRODUCTS AND SERVICE IS A NATIONAL PRIORITY AS NEVER BEFORE.

IN RECENT YEARS, AMERICANS HAVE FELT THE STING OF FIERCE NEW COMPETITION ON A GLOBAL SCALE. AND WE HAVE LEARNED TO SEE FOREIGN COMPETITION -- NOT AS AN EXCUSE TO CLOSE DOORS AND RAISE PROTECTIVE BARRIERS -- BUT AS AN INCENTIVE TO RENEW OUR COMMITMENT TO EXCELLENCE.

AMERICAN MANAGERS HAVE RECONSIDERED EVERY TIME-HONORED BELIEF, EVERY TRADITIONAL PRACTICE, EVERY CUSTOMARY PROCEDURE. THEY HAVE EMBRACED WHAT WORKS, AND REJECTED THE REST.

**THEY HAVE STUDIED EXAMPLES OF INNOVATION FROM HOME AND ABROAD, AND ADOPTED ONLY THE BEST. AND WE NOW KNOW THE RESULT OF THIS HISTORIC REASSESSMENT: WHEN IT COMES TO MEETING THE COMPETITION, AMERICA IS BACK IN BUSINESS. **

WE ARE HERE TODAY TO HONOR TWO COMPANIES THAT ARE LEADING THIS RESURGENCE IN AMERICAN BUSINESS LEADERSHIP. MOST COMPANIES CATCH HELL FROM THE COMPETITION.

BUT THESE TWO COMPANIES ARE IN THE LEAD BECAUSE NO COMPETITOR GAVE THEM A TOUGHER TIME THAN THEY GAVE THEMSELVES.

OF COURSE, IN BUSINESS, SUCCESS IS ITS OWN REWARD. YET ALL AMERICAN FIRMS BENEFIT BY HAVING A STANDARD OF EXCELLENCE TO MATCH AND PERHAPS, ONE DAY, TO SURPASS.

FOR IN 1989, THERE CAN BE NO HIGHER STANDARD OF QUALITY MANAGEMENT THAN THOSE PROVIDED BY THE WINNERS OF THE MALCOLM BALDRIGE NATIONAL QUALITY AWARD -- MILLIKEN & COMPANY AND THE XEROX CORPORATION.

BOTH OF THESE MANUFACTURING FIRMS WERE WELL-ESTABLISHED LEADERS IN THEIR MARKETS. YET BOTH WERE BEING STEADILY SQUEEZED OUT BY INTENSE FOREIGN AND DOMESTIC COMPETITION.

IN THE MIDST OF THIS CRISIS, THE MEN AND WOMEN OF THESE COMPANIES FOUND WITHIN THEMSELVES THE WILL TO MAKE A PAINSTAKING REASSESSMENT AND THE DRIVE TO WIN BACK THEIR SHARE OF THE MARKET.

BOTH COMPANIES STARTED DOWN THIS PATH OF REASSESSMENT WITH A SIMPLE PREMISE: IN BUSINESS, THERE IS ONLY ONE DEFINITION OF QUALITY -- THE CUSTOMER'S DEFINITION.

AND THEN THEY PROCEEDED FROM THIS ONE PREMISE TO RESTRUCTURE THEIR PRODUCTION AND MARKETING PLANS. SOUNDS SIMPLE. BUT I KNOW, AS A FORMER BUSINESSMAN MYSELF, HOW DIFFICULT IT IS TO RESTRUCTURE A FIRM, TOP-TO-BOTTOM.

TODAY'S WINNERS KNOW WHAT IS POSSIBLE WHEN A FIRM RESTRUCTURES ITSELF FROM THE BOTTOM UP. THEY KNOW THAT A COMPANY CAN NO LONGER AFFORD TO REGARD EMPLOYEES AS AUTOMATONS IN A PRODUCTION LINE.

THEY KNOW THAT A COMPANY MUST RELY ON THE INTELLIGENCE, JUDGMENT AND GOOD CHARACTER OF THE PEOPLE IT EMPLOYS.

THERE ARE AS MANY SUCCESSFUL FORMS OF MANAGEMENT AS THERE ARE SUCCESSFUL COMPANIES. BUT FOR THESE TWO COMPANIES, SUCCESS CAME WHEN THEY DEVELOPED THEIR HUMAN, AS WELL AS THEIR TECHNOLOGICAL POTENTIAL.

MILLIKEN, FOR EXAMPLE, IS A 124-YEAR-OLD TEXTILE MANUFACTURER IN SOUTH CAROLINA. BUT IT'S MANAGEMENT STYLE IS SHEER 21ST CENTURY.

MILLIKEN SCRAPPED THE OLD MANAGEMENT HIERARCHY IN FAVOR OF WHAT THEY CALL A "FLAT MANAGEMENT STRUCTURE."

\\((GOOD THING THEY'RE NOT A TIRE COMPANY.))\\

MILLIKEN EVEN GAVE A NEW TITLE TO ITS EMPLOYEES, CALLING THEM "ASSOCIATES." THIS IS NO HOLLOW ACCOLADE FROM PUBLIC RELATIONS. EVERY MILLIKEN EMPLOYEE TRULY IS AN ASSOCIATE. IN FACT, ANY MILLIKEN WORKER HAS THE POWER TO HALT THE PRODUCTION LINE IF HE OR SHE DETECTS A PROBLEM IN QUALITY OR SAFETY.

OUR OTHER WINNER TAKES A SIMILAR APPROACH WITH ITS TEAM XEROX PHILOSOPHY. XEROX EMPLOYEES ARE GIVEN THE AUTHORITY THEY NEED TO MAKE DAY-TO-DAY DECISIONS. THEY ARE, THE COMPANY SAYS, EXPECTED TO TAKE THE INITIATIVE IN FINDING AND FIXING PROBLEMS. AND THEY DO. WHILE EVERY MANAGER WORKS, EVERY WORKER IS MANAGING.

ONE OF THE BEST THINGS ABOUT THIS AWARD IS THAT IT ALLOWS SUCCESSFUL COMPANIES TO SHARE WHAT THEY HAVE LEARNED TO SET AN EXAMPLE.

((PERHAPS THESE TWO COMPANIES SHOULD MERGE. CAN YOU IMAGINE IT?\\ YOUR WARDROBE WOULDN'T JUST BE COORDINATED;\\ IT WOULD BE COLLATED.))

MANY FIRMS WILL LEARN A GREAT DEAL FROM THEIR EXAMPLE. OTHERS WILL NEED TO FOLLOW THEIR OWN PATH. BUT TO THOSE WHO SAY THAT WE HAVE LOST OUR EDGE, THAT THE DAYS ARE PAST WHEN "MADE IN AMERICA" MEANT "THE BEST" -- I SAY: TELL THAT TO THE PEOPLE OF THE MILLIKEN PLANT IN SPARTANSBURG. TELL THAT TO THE XEROX TEAMS IN MONROE COUNTY, NEW YORK.

QUALITY PRODUCTS AND SERVICE IS NO ACCIDENT. IT IS THE RESULT OF A CERTAIN CAN-DO, NO-EXCUSES ATTITUDE -- AN AGGRESSIVE IMPATIENCE WITH THE STATUS QUO -- EVEN IN THE BEST OF TIMES. IT IS THIS ATTITUDE, MORE THAN ANYTHING ELSE, THAT IS RESPONSIBLE FOR THE CREATION OF WEALTH AND JOBS WE HAVE SEEN IN THE LAST SEVEN YEARS.

IN THESE YEARS, OUR TOTAL NATIONAL WEALTH HAS GROWN BY ALMOST A THIRD.

WE HAVE CREATED MORE THAN TWENTY MILLION NEW JOBS. AND WE ARE STILL ENJOYING THE REWARDS OF WHAT HAS PROVEN TO BE THE LONGEST PEACETIME ECONOMIC EXPANSION IN AMERICAN HISTORY.

GIVEN THE RIGHT POLICIES -- AND A REDUCED CAPITAL GAINS TAX WOULD CERTAINLY BE ONE -- THIS EXPANSION WILL CONTINUE. AND GIVEN THE RIGHT TOOLS, THE AMERICAN PEOPLE CAN REACH EVEN GREATER HEIGHTS.

THE POTENTIAL OF THIS NATION IS AS BOUNDLESS AS THE IMAGINATION AND DRIVE OF THE AMERICAN PEOPLE. ALL WE HAVE TO DO FOR OUR CITIZENS IS WHAT THESE TWO COMPANIES HAVE DONE FOR THEIR EMPLOYEES -- GIVE THEM THE FREEDOM TO DO WHAT THEY DO BEST. FREEDOM TO IMAGINE. FREEDOM TO CREATE. FREEDOM TO EXCEL.

- 20 -

OUR WINNERS HAD SUCH FREEDOM, AND THEY MADE THE MOST OF IT. I GIVE MY HEARTIEST CONGRATULATIONS TO THEM. THANK YOU, GOD BLESS YOU AND GOD BLESS AMERICA.

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