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Annual Dinner of Business Council 2/21/90 [OA 4728]

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**BUSINESS COUNCIL DINNER \ LIBRARY OF CONGRESS
WEDNESDAY, FEBRUARY 21, 1990 \ 7:50 P.M.**

**THANK YOU FOR THAT INTRODUCTION ROGER [[SMITH,
CHAIRMAN OF THE BUSINESS COUNCIL]]. IT'S GOOD TO BE
BACK AMONG SO MANY GOOD FRIENDS FROM THE PUBLIC AND
PRIVATE SECTORS -- LEADERS ALL.**

**BUT IT'S A PLEASURE TO SEE SO MANY FRIENDS HERE
TONIGHT. AND NOW THAT I'M PRESIDENT, I BELIEVE IT'S
ALL THE MORE IMPORTANT FOR US TO KEEP IN TOUCH, BECAUSE
SOLUTIONS TO THE CHALLENGES OUR COUNTRY FACES WILL NOT
COME FROM GOVERNMENT ALONE.**

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**THEY WILL COME ONLY WHEN WE REACH DEEP INSIDE OURSELVES
AND FIND THE GRIT AND GUMPTION TO ACT AS A PEOPLE. SO
THAT'S WHY I LOOK TO YOU -- AS COMMUNITY LEADERS, AS
WELL AS CORPORATE LEADERS.**

**I LOOK TO YOU TO WORK WITH US TO REFORM PRODUCT
LIABILITY LAW, AN EFFORT WHICH I BELIEVE VICE PRESIDENT
QUAYLE SET OUT FOR YOU EARLIER. AND THERE IS SO MUCH
MORE WE CAN DO TOGETHER.**

FOR EXAMPLE, WE'VE ALL GOT TO CONTINUE TO CLEAN UP OUR AIR, OUR WATER, OUR BEACHES. WE'VE ALL GOT TO FIND A WAY TO SEE TO IT THAT WORKING FAMILIES CAN AFFORD CHILD CARE. AND WE'VE GOT TO KEEP EVERY SUCCESSIVE GENERATION OF AMERICANS MOVING UP THE LEARNING CURVE.\\

AS YOU KNOW, LAST FALL I MET WITH THE GOVERNORS AT AN EDUCATION SUMMIT IN CHARLOTTESVILLE -- FIRST OF ITS KIND. WE AGREED THAT IT'S TIME TO QUIT STUDYING THE PROBLEM AND START DOING SOMETHING ABOUT IT.

AND WE ARE. JUST LAST MONTH, THE GOVERNORS AND I AGREED TO SET NEW GOALS, TO ASK MORE OF OUR STUDENTS, OUR TEACHERS, OUR SCHOOLS AND OURSELVES.

WE REACHED AN HISTORIC CONSENSUS, A NATIONAL CONSENSUS, THAT WE SHOULD MEASURE OUR PROGRESS IN EDUCATION NOT JUST IN TERMS OF DOLLARS SPENT, BUT IN TERMS OF THE PERFORMANCE OF EVERY STUDENT AND EVERY SCHOOL. FOR TOO MANY YEARS, WE FOCUSED ON WHAT WENT INTO EDUCATION -- INPUT.

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NOW IT'S TIME TO FOCUS ON OUTPUT, OR PRODUCTIVITY -- AND PRODUCTIVITY IN EDUCATION MEANS GREATER LITERACY, BETTER TEST SCORES AND HIGHER GRADUATION RATES.

BUT EVEN THE COMBINED RESOURCES OF STATE AND FEDERAL GOVERNMENT ALONE WON'T TACKLE THE JOB. WE NEED YOU. SOME OF YOU ARE OUT FRONT ON THIS, BUT I COULDN'T COME HERE TONIGHT WITHOUT ASKING EVERY ONE OF YOU TO JOIN OUR WORK WITH THE GOVERNORS.

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YOUR LEADERSHIP IS VITAL IF WE ARE TO MAKE AN AMERICAN EDUCATION SECOND TO NONE.

WHEN I SET OUT MY PHILOSOPHY IN MY STATE OF THE UNION ADDRESS, SOME ON THE OTHER SIDE OF THE PARTY AISLE ACCUSED ME OF STEALING PARTISAN THUNDER ON ISSUES LIKE EDUCATION, THE ENVIRONMENT AND CHILD CARE. I WOULD LIKE TO RESPECTFULLY SUGGEST THAT THESE ARE NOT PARTISAN ISSUES.

EDUCATION, THE PURCHASE OF A HOME OR MEDICAL EXPENSES.
WOULD MAKE FUNDS AVAILABLE, WHEN NEEDED, FOR A CHILD'S
TAXES WHEN WITHDRAWN. THIS FAMILY SAVINGS ACCOUNT
\$5,000 A YEAR -- FUNDS WHICH WILL NOT BE SUBJECT TO
I AM ASKING CONGRESS TO ALLOW COUPLES TO SAVE UP TO

ITS PROVISION TO HELP FAMILIES SAVE.
PASS THE SAVINGS AND ECONOMIC GROWTH ACT OF 1990, AND
SOMETHING ABOUT IT. WE CAN START BY ASKING CONGRESS TO
NOW IS THE TIME TO QUIT BEMOANING THIS FACT, AND DO

- 8 -

THE BOTTOM AMONG THE INDUSTRIALIZED NATIONS.
INVEST. YOU KNOW THAT THE U.S. SAVINGS RATE RANKS NEAR
GROWTH. AND TO HAVE GROWTH, A NATION MUST SAVE AND
TO HELP THOSE IN NEED, WE MUST HAVE ECONOMIC
HELP ANYONE AT ALL. \\

UNLESS WE HAVE A HEALTHY, GROWING ECONOMY WE CANNOT
DIFFER WITH SOME IN WASHINGTON IS THAT I BELIEVE THAT
PRESIDENT -- OUR MISSION AS CITIZENS. BUT WHERE I
HELPING OTHERS IS THE AMERICAN MISSION -- MY MISSION AS

- 7 -


FOR THOSE WHO LEAVE THEIR SAVINGS IN FOR SEVEN YEARS,
THERE WILL BE NO TAX ON EARNINGS.

ALONG THESE SAME LINES, WE'VE GOT TO RESCUE THE
DREAM -- THE AMERICAN DREAM -- OF HOMEOWNERSHIP FOR
MILLIONS OF FAMILIES. AND THAT'S WHAT MY HOME
OWNERSHIP INITIATIVE AIMS TO DO, BY ALLOWING FAMILIES
TO WITHDRAW UP TO \$10,000 FROM AN IRA TO GET INTO THAT
FIRST HOUSE.

ALL OF THESE MEASURES WILL HELP FAMILIES TO SAVE
AND INVEST IN AMERICA. BUT TO SUSTAIN OUR REMARKABLE
ECONOMIC EXPANSION, WE NEED SOMETHING MORE. AND THAT'S
WHY I STAND FOR A CUT IN THE CAPITAL GAINS TAX.\\ WE
NEED A TAX CODE THAT ENCOURAGES INVESTORS NOT TO PUT
THEIR MONEY INTO SELF-INDULGENT CONSUMPTION; BUT IN
PRODUCTIVE ASSETS THAT CREATE JOBS FOR ALL AMERICANS.

WE NEED A TAX CODE THAT MAKES AMERICA COMPETITIVE WITH ITS TRADING PARTNERS, MANY OF WHICH DON'T EVEN HAVE A CAPITAL GAINS TAX.

WHEN IT COMES TO THE ENVIRONMENT, I'M PROUD TO SEEK PASSAGE OF THE FIRST CLEAN AIR LEGISLATION SINCE 1977. BUT I INSIST ON A PROGRAM THAT IS BOTH BENEFICIAL TO THE ENVIRONMENT AND BASED ON MARKET SOLUTIONS. THE ENVIRONMENTAL DEBATE MUST NOT BE DOMINATED BY THE EXTREMES.



I WANT CLEAN AIR, BUT I INSIST THIS CAN BE ACHIEVED WITHOUT THROWING PEOPLE OUT OF THEIR JOBS OR RENDERING OUR BUSINESSES NON-COMPETITIVE. TO COMPETE IN THE GLOBAL MARKETPLACE OF THE 21ST CENTURY, AMERICAN BUSINESS MUST BE MORE EFFICIENT. BUT IMPROVED EFFICIENCY WILL ALSO PAY BIG DIVIDENDS FOR THE ENVIRONMENT.

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AFTER ALL, POLLUTION IS WASTE. AND IF WE CAN PREVENT POLLUTION BY IMPROVING OUR MANUFACTURING PROCESSES AND USING ENERGY MORE EFFICIENTLY, WE'LL PROTECT THE ENVIRONMENT WHILE PROTECTING AMERICAN JOBS. THE BEST POLICY IS TO PREVENT POLLUTION AT THE SOURCE.

THE PRIVATE SECTOR ALSO HAS A LEADING ROLE TO PLAY IN CHILD-CARE. AND THAT'S WHY I BELIEVE WE SHOULD RELY FIRST ON THE STRENGTH OF FAMILIES, NEIGHBORHOOD GROUPS AND CHURCHES.

- 14 -

THE LAST THING WE NEED IS ANOTHER MASSIVE SPENDING PROGRAM AND ANOTHER CENTRALIZED FEDERAL BUREAUCRACY TO TELL PARENTS HOW TO CARE FOR THEIR KIDS.

SO MY CONCERN IS FOR THE SUBSTANCE OF A PROGRAM, NOT ITS TITLE. MY CONCERN IS FOR THE MEANS, AS WELL AS THE END. AND THAT IS WHY NO BILL WILL LEAVE MY DESK SIMPLY BECAUSE IT'S CALLED "CLEAN AIR" OR "CHILD CARE."

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OUR PROGRAMS MUST BE SOUND. THEY MUST BE RESPONSIBLE. AND THEY MUST DO MORE THAN JUST DRAW ON FEDERAL RESOURCES -- THEY MUST CHALLENGE EVERY AMERICAN TO DO HIS OR HER PART. WHEN IT COMES TO FIGHTING THE SCOURGE OF ILLEGAL DRUGS, YOU ARE CERTAINLY DOING YOUR PART -- TAKING THE LEAD FOR A DRUG-FREE WORKPLACE. AS WE CONTINUE TO FIGHT THIS SCOURGE, YOUR PARTNERSHIP WILL BE NEEDED AS NEVER BEFORE.

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SO I BELIEVE THERE IS NOTHING WE CAN'T ACHIEVE IF WE ACCEPT THE CHALLENGE, IF WE WORK TOGETHER. ((AFTER ALL, THIS IS TRULY A REMARKABLE GATHERING. I DON'T THINK THERE'S BEEN SO MUCH POWER IN ONE ROOM SINCE MALCOLM FORBES' LAST BIRTHDAY.))\\\

I'M DELIGHTED TO BE HERE -- NOW GLAD TO TAKE SOME QUESTIONS.

#

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Four

PRESIDENTIAL ADDRESS: BUSINESS COUNCIL DINNER, THE WHITE HOUSE
7:50 p.m., Wednesday, Feb. 21, 1990

Thank you for that introduction Roger [[Smith, Chairman of the Business Council]]. It's good to be back among so many good friends from the public and private sectors -- leaders all.

((You know me -- I, too, was the head of a company. But when I first came to the White House, I didn't start out at the top.\\ Still, it was what you could call a friendly takeover.))\\

But it's a pleasure to see so many friends here tonight. And now that I'm President, I believe it's all the more important for us to keep in touch, because solutions to the challenges our country faces will not come from government alone. They will come only when we reach deep inside ourselves and find the grit and gumption to act as a people. So that's why I look to you -- as community leaders, as well as corporate leaders.\\

I look to you to work with us to reform product liability law, an effort which I believe Vice President Quayle set out for you earlier. And there is so much more we can do together.

For example, we've all got to continue to clean up our air, our water, our beaches. We've all got to find a way to see to it that working families can afford child care. And we've got to

keep every successive generation of Americans moving up the learning curve.\\

As you know, last fall I met with the governors at an Education Summit in Charlottesville -- first of its kind. We agreed that it's time to quit studying the problem and start doing something about it. And we are. Just last month, the governors and I agreed to set new goals, to ask more of our students, our teachers, our schools and ourselves.

We reached an historic consensus, a national consensus, that we should measure our progress in education not just in terms of dollars spent, but in terms of the performance of every student and every school. For too many years, we focused on what went into education -- input. Now it's time to focus on output, or productivity -- and productivity in education means greater literacy, better test scores and higher graduation rates.

But even the combined resources of state and federal government alone won't tackle the job. We need you. ~~and I~~ *Some of you are way out front on this but I* couldn't come here tonight without asking every one of you to join our work with the governors. Your leadership is vital if we are to make an American education second to none.

When I set out my philosophy in my State of the Union address, some on the other side of the party aisle accused me of stealing partisan thunder on issues like education, the environment and child care. I would like to respectfully suggest that these are not partisan issues. Helping others is the American mission -- my mission as President -- our mission as

citizens. But where I differ with some in Washington is that I believe that unless we have a healthy, growing economy we cannot help anyone at all.\

To help those in need, we must have economic growth. And to have growth, a nation must save and invest. You know that the U.S. savings rate ranks near the bottom among the industrialized nations. Now is the time to quit bemoaning this fact, and do something about it. We can start by asking Congress to pass the Savings and Economic Growth Act of 1990, and its provision to help families save.

I am asking Congress to allow couples to save up to \$5,000 a year -- funds which will not be subject to taxes when withdrawn. This Family Savings Account would make funds available, when needed, for a child's education, the purchase of a home or medical expenses. For those who leave their savings in for seven years, there will be no tax on earnings.

Along these same lines, we've got to rescue the dream -- the American dream -- of homeownership for millions of families. And that's what my Home Ownership Initiative aims to do, by allowing families to withdraw up to \$10,000 from an IRA to get into that first house.

All of these measures will help families to save and invest in America. But to sustain our remarkable economic expansion, we need something more. And that's why I stand for a cut in the capital gains tax.\ We need a tax code that encourages investors not to put their money into self-indulgent consumption;

~~From~~ The environmental ~~debate~~ ^{debate} must not be dominated by the extremes. I want clean air but I want this ^{corrected} can be achieved without knowing people out of their jobs or sending our business ^{non-competitiveness} but in productive assets that create jobs for all Americans. We need a tax code that makes America competitive with its trading partners, many of which don't even have a capital gains tax.

When it comes to the environment, I'm proud to seek passage of the first Clean Air legislation since 1977. But I insist on a program that is both beneficial to the environment and based on market solutions. To compete in the global marketplace of the 21st Century, American business must be more efficient. But improved efficiency will also pay big dividends for the environment.

After all, pollution is waste. And if we can prevent pollution by improving our manufacturing processes and using energy more efficiently, we'll protect the environment while protecting American jobs. The best policy is to prevent pollution at the source.

The private sector also has a leading role to play in child-care. And that's why I believe we should rely first on the strength of families, neighborhood groups and churches. The last thing we need is another massive spending program and another centralized federal bureaucracy to tell parents how to care for their kids.

So my concern is for the substance of a program, not its title. My concern is for the means, as well as the end. And that is why no bill will leave my desk simply because it's called "Clean Air" or "Child Care." \\\

Our programs must be sound. They must be responsible. And they must do more than just draw on federal resources -- they must challenge every American to do his or her part. When it comes to fighting the scourge of illegal drugs, you are certainly doing your part -- taking the lead for a drug-free workplace. As we continue to fight this scourge, your partnership will be needed as never before.

So I believe there is nothing we can't achieve if we accept the challenge, if we work together. ((After all, this is truly a remarkable gathering. I don't think there's been so much power in one room since Malcolm Forbes' last birthday.))\ \ \ \

But power can be used in many ways. Over the years I've found, as I'm sure you have, that the great satisfactions in life come not from a title or an office, but from the day-to-day deeds that add up over a lifetime, deeds that let us leave this world just a little better than we found it.

~~For all you do, you have my sincerest thanks.~~ And now I'd be delighted to hear your questions.

*I'm [#]delighted[#] to be here - now
glad to take some questions*

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/21/90 ACTION/CONCURRENCE/COMMENT DUE BY: ----

SUBJECT: PRESIDENTIAL REMARKS: BUSINESS COUNCIL

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input 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"/>	<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 type="checkbox"/>	<input checked="" type="checkbox"/>	<u>PINKERTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>DELAND</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BOSKIN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	<u> </u>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

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

THE WHITE HOUSE

WASHINGTON

February 20, 1990

1990 FEB 20 PM 6:57

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *cw*
FROM: MARK DAVIS *MD*
SUBJECT: Business Council Dinner Remarks

I. SUMMARY:

On Tuesday, February 21, you will speak before the Business Council in the Great Hall of the Library of Congress. Your remarks are eight minutes long and will be prepared on speechcards. You will then participate in a 10 minute question and answer session. ((This event is closed press.)) The audience will be comprised of approximately 95 CEO's, members of the Cabinet, and members of the Administration. You will be introduced by Roger Smith, Chairman of General Motors and Chairman of the Business Council.

II. DISCUSSION:

Your remarks express gratitude to the members of the Business Council for their involvement in their communities. It also encourages their support for the Administration's efforts in the fields of education, drugs, clean air, child care, and capital gains tax rate reduction.

The staffing process has resulted in longer remarks than you may be comfortable with -- given the nature of the group. They are particularly interested in the question and answer period, so you may wish to shorten or make the remarks less formal.

1990 FEB 21 AM 9:20

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Four

**PRESIDENTIAL ADDRESS: BUSINESS COUNCIL DINNER, THE WHITE HOUSE
7:50 p.m., Wednesday, Feb. 21, 1990**

Thank you for that introduction Roger [[Smith, Chairman of the Business Council]]. It's good to be back among so many good friends from the public and private sectors -- leaders all.

((You know me -- I, too, was the head of a company. But when I first came to the White House, I didn't start out at the top.\\ Still, it was what you could call a friendly takeover.))\\

But it's a pleasure to see so many friends here tonight. And now that I'm President, I believe it's all the more important for us to keep in touch, because solutions to the challenges our country faces will not come from government alone. They will come only when we reach deep inside ourselves and find the grit and gumption to act as a people. So that's why I look to you -- as community leaders, as well as corporate leaders.\\

I look to you to work with us to reform product liability law, an effort which I believe Vice President Quayle set out for you earlier. And there is so much more we can do together.

For example, we've all got to continue to clean up our air, our water, our beaches. We've all got to find a way to see to it that working families can afford child care. And we've got to

keep every successive generation of Americans moving up the learning curve.\\

As you know, last fall I met with the governors at an Education Summit in Charlottesville -- first of its kind. We agreed that it's time to quit studying the problem and start doing something about it. And we are. Just last month, the governors and I agreed to set new goals, to ask more of our students, our teachers, our schools and ourselves.

We reached an historic consensus, a national consensus, that we should measure our progress in education not just in terms of dollars spent, but in terms of the performance of every student and every school. For too many years, we focused on what went into education -- input. Now it's time to focus on output, or productivity -- and productivity in education means greater literacy, better test scores and higher graduation rates.

But even the combined resources of state and federal government alone won't tackle the job. We need you. And I couldn't come here tonight without asking every one of you to join our work with the governors. Your leadership is vital if we are to make an American education second to none.

When I set out my philosophy in my State of the Union address, some on the other side of the party aisle accused me of stealing partisan thunder on issues like education, the environment and child care. I would like to respectfully suggest that these are not partisan issues. Helping others is the American mission -- my mission as President -- our mission as

citizens. But where I differ with some in Washington is that I believe that unless we have a healthy, growing economy we cannot help anyone at all.\

To help those in need, we must have economic growth. And to have growth, a nation must save and invest. You know that the U.S. savings rate ranks near the bottom among the industrialized nations. Now is the time to quit bemoaning this fact, and do something about it. We can start by asking Congress to pass the Savings and Economic Growth Act of 1990, and its provision to help families save.

I am asking Congress to allow couples to save up to \$5,000 a year -- funds which will not be subject to taxes when withdrawn. This Family Savings Account would make funds available, when needed, for a child's education, the purchase of a home or medical expenses. For those who leave their savings in for seven years, there will be no tax on earnings.

Along these same lines, we've got to rescue the dream -- the American dream -- of homeownership for millions of families. And that's what my Home Ownership Initiative aims to do, by allowing families to withdraw up to \$10,000 from an IRA to get into that first house.

All of these measures will help families to save and invest in America. But to sustain our remarkable economic expansion, we need something more. And that's why I stand for a cut in the capital gains tax.\ We need a tax code that encourages investors not to put their money into self-indulgent consumption;

but in productive assets that create jobs for all Americans. We need a tax code that makes America competitive with its trading partners, many of which don't even have a capital gains tax.

When it comes to the environment, I'm proud to seek passage of the first Clean Air legislation since 1977. But I insist on a program that is both beneficial to the environment and based on market solutions. To compete in the global marketplace of the 21st Century, American business must be more efficient. But improved efficiency will also pay big dividends for the environment.

After all, pollution is waste. And if we can prevent pollution by improving our manufacturing processes and using energy more efficiently, we'll protect the environment while protecting American jobs. The best policy is to prevent pollution at the source.

The private sector also has a leading role to play in child-care. And that's why I believe we should rely first on the strength of families, neighborhood groups and churches. The last thing we need is another massive spending program and another centralized federal bureaucracy to tell parents how to care for their kids.

So my concern is for the substance of a program, not its title. My concern is for the means, as well as the end. And that is why no bill will leave my desk simply because it's called "Clean Air" or "Child Care." \\\

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So I believe there is nothing we can't achieve if we accept the challenge, if we work together. ((After all, this is truly a remarkable gathering. I don't think there's been so much power in one room since Malcolm Forbes' last birthday.))\\\

But power can be used in many ways. Over the years I've found, as I'm sure you have, that the great satisfactions in life come not from a title or an office, but from the day-to-day deeds that add up over a lifetime, deeds that let us leave this world just a little better than we found it.

For all you do, you have my sincerest thanks. And now I'd be delighted to hear your questions.

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THE WHITE HOUSE

WASHINGTON

February 20, 1990

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *CW*
FROM: MARK DAVIS *MD*
SUBJECT: Business Council Dinner Remarks

I. SUMMARY:

On Tuesday, February 21, you will speak before the Business Council in the Great Hall of the Library of Congress. Your remarks are eight minutes long and will be prepared on speechcards. You will then participate in a 10 minute question and answer session. ((This event is closed press.)) The audience will be comprised of approximately 95 CEO's, members of the Cabinet, and members of the Administration. You will be introduced by Roger Smith, Chairman of General Motors and Chairman of the Business Council.

II. DISCUSSION:

Your remarks express gratitude to the members of the Business Council for their involvement in their communities. It also encourages their support for the Administration's efforts in the fields of education, drugs, clean air, child care, and capital gains tax rate reduction.

*The staffing process has resulted in a longer
remarks ~~duration~~ than you may be comfortable with - given
the nature of the group. They are particularly
interested in the q & a period, so you may wish
to shorten ~~the remarks~~ or make ~~your~~ the remarks
less formal.*

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Three

PRESIDENTIAL ADDRESS: BUSINESS COUNCIL DINNER, THE WHITE HOUSE
7:50 p.m., Wednesday, Feb. 21, 1990

Thank you for that introduction Roger [[Smith, Chairman of the Business Council]]. It's good to be back among so many good friends from the public and private sectors -- leaders all.

((You know me -- I, too, was the head of a company. But when I first came to the White House, I didn't start out at the top.\\ Still, it was what you could call a friendly takeover.))\\

And now that I'm President, I believe it's important for us to keep in touch, ^{because} I believe solutions to the challenges our country faces will come -- not from government alone, ^{but} only when we reach deep inside ourselves and find the grit and gumption to act as a people. So that's why I look to you -- as community leaders, as well as corporate leaders. ~~I think you'll agree with me that the business of America is not business. No,~~

~~the business of business is America.\\~~

For example, we've all got to continue to clean up our air, our water, our beaches. We've all got to find a way to see to it that working families can afford child care. And we've got to keep every successive generation of Americans moving up the learning curve.\\

As you know, last fall I met with the governors at an Education Summit in Charlottesville -- first of its kind. We agreed that it's time to quit studying the problem and start doing something about it. And we are. Just last month, the governors and I agreed to set new goals, to ask more of our students, our teachers, our schools and ourselves.

We reached an historic consensus, a national consensus, that we should measure our progress in education not just in terms of dollars spent, but in terms of the performance of every student and every school. For too many years, we focused on what went into education -- input. Now it's time to focus on output, or productivity -- and productivity in education means greater literacy, better test scores and higher graduation rates.

But even the combined resources of state and federal government alone won't tackle the job. We need you. And I couldn't come here tonight without asking every one of you to join our work with the governors. Your leadership is vital if we are to make an American education second to none.

When I set out my philosophy in my State of the Union address, some on the other side of the party aisle accused me of stealing partisan thunder on issues like education, ~~or~~ the environment ^{and} ~~or~~ child care. I would like to respectfully suggest that these are not partisan issues. Helping others is the American mission -- my mission as President -- our mission as citizens. But where I differ with some in Washington is that I

believe that unless we have a healthy, growing economy **we cannot help anyone at all.**\

To help those in need, we must have economic growth. And to have growth, a nation must save ^{and invest.} You know that the U.S. savings rate ranks near the bottom among the industrialized nations. Now is the time to quit bemoaning this fact, and **do** something about it -- starting with the Family Savings Account.

Savings and Economic Stimulus Act of 1990

I am asking Congress to allow couples to save up to \$5,000 a year -- funds which will not be subject to taxes when withdrawn. The FSA would make funds available, when needed, for a child's education, the purchase of a home or medical expenses. For those who leave their savings in for seven years, there will be **no tax** on earnings.

Along these same lines, we've got to rescue the dream -- the American dream -- of homeownership for millions of families. And that's what my Home Ownership Initiative aims to do, by allowing families to withdraw up to \$10,000 from an IRA to get into that first house.

All of these measures will help families to save and invest in America. But to sustain our remarkable economic expansion, we need something more. And that's why I stand for a cut in the capital gains tax.\

We need a tax code that encourages investors not to put their money into self-indulgent consumption; but in productive assets that create jobs for all Americans. We need a tax code that makes America competitive with its trading partners, many of which don't even have a capital gains tax.

When it comes to the environment, I'm proud to seek passage of the first Clean Air legislation since 1977. But I insist on a program that is ^{both} beneficial to the environment and ~~yet~~ based on market solutions. To compete in the global marketplace of the 21st Century, American business must be more efficient. But improved efficiency will also pay big dividends for the environment.

After all, pollution is waste. And if we can prevent pollution by improving our manufacturing processes and using energy more efficiently, we'll protect the environment while protecting American jobs.

The private sector also has a leading role to play in child-care. And that's why I believe we should rely first on the strength of families, neighborhood groups and churches. The last thing we need is another massive spending program and another centralized federal bureaucracy to tell parents how to care for their kids.

So my concern is for the substance of a program, not its title. I care for the means, as well as the end. And that is why no bill will leave my desk simply because it's called "Clean Air" or "Child Care" or even ~~"The Healthier Babies Act."~~ \\\

Our programs must be sound. They must be responsible. And they must do more than just draw on federal resources -- they must challenge every American to do his or her part. *drug insert*

I believe there is nothing we can't achieve if we accept the challenge, if we work together. ((After all, this is truly a

remarkable gathering. I don't think there's been so much power in one room since Malcolm Forbes' last birthday.))\\\

But power can be used in many ways. Over the years I've found, as I'm sure you have, that the great satisfactions in life come not from a title or an office, but from the day-to-day deeds that add up over a lifetime, deeds that let us leave this world just a little better than we found it.

For all you do, you have my sincerest thanks. And now I'd be delighted to hear your questions.

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Factual Correction:

p.2 para. 2

"your commitment to work with governors" is not correct. The Business Roundtable has committed, not the Business Council. (Mark was misinformed by Rae Nelson in Policy)

Document No. 114895

MEMORANDUM

02/20
DUE BY: 11:00a.m. Tuesday

CIL
(three)

			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MCCLURE			<input checked="" type="checkbox"/>	<input type="checkbox"/>
NEWMAN			<input checked="" type="checkbox"/>	<input type="checkbox"/>
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UNTERMAYER			<input type="checkbox"/>	<input type="checkbox"/>
ROGERS			<input type="checkbox"/>	<input checked="" type="checkbox"/>
PINKERTON 6407			<input checked="" type="checkbox"/>	<input type="checkbox"/>
WINSTON			<input type="checkbox"/>	<input checked="" type="checkbox"/>
DELAND			<input checked="" type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 11:00 a.m. on Tuesday, 02/20, with a copy to my office. Thanks.

RESPONSE:

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

draft

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Three

1990 FEB 16 PM 6:13

PRESIDENTIAL ADDRESS: BUSINESS COUNCIL, LIBRARY OF CONGRESS

~~((Time))~~, Wednesday, Feb. 21, 1990

7:50 PM

((Acknowledgements)) *Mr. Roger Smith*

((You know me -- I, too, was the head of a company. But when I first came to the White House, I didn't start out at the top.\\ Still, it was what you could call a friendly takeover.))\\ \\

As President, I believe it's important for us to keep in touch, because solutions to the challenges our country faces will come -- not from government alone -- but only when we reach deep inside ourselves and find the grit and gumption to act as a people. So that's why I look to you -- as community leaders, as well as corporate leaders. I think you'll agree with me that the business of America is **not** business. No, **the business of business is America.**\\ \\

For example, we've all got to continue to clean up our air, our water, our beaches. We've all got to find a way to see to it that working ^{*families*} parents can afford child care. And until recently, every successive generation of Americans was better educated than the last one. This is no longer true. So from now on, every new generation of Americans has got to move up the learning curve -- not down it.\\ \\

rewrite

As you know, last fall I met ^{with} the governors at an Education Summit in Charlottesville -- the first of its kind. We agreed that it's time to quit studying the problem and start doing something about it. And we are. Just last month, the governors and I agreed to ^{set new} notch our goals ~~a little higher~~, to ask more of our students, our teachers, our schools and ourselves. insert A

But even the combined resources of state and federal government alone won't tackle the job. We need you. And I couldn't come here tonight without ^{asking} ~~thanking~~ every one of you ^{to} ~~for~~ ^{join our} ~~your commitment~~ to work with the governors of America ~~this week~~. Your leadership is vital ^{if we are to make our American education sound to none} ~~Your contribution is appreciated.~~ \\

When I set out my philosophy in my State of the Union address, some on the other side of the party aisle accused me of stealing partisan thunder on issues like education, or the environment or child care. I would like to respectfully suggest that these are not partisan issues. Helping others is the American mission -- my mission as President -- our mission as citizens. But where I differ with some in Washington is that I believe that unless we have a healthy, growing economy **we cannot help anyone at all.** \\

Savings and Economic Growth
IEA

That is why I stand for a cut in the capital gains tax. \\ We need a tax code that encourages investors to put their money ~~in~~ -- not into a new hot tub or another car -- but in **productive assets that create more jobs and more wealth for all Americans.** \\

insert
D

When it comes to the environment, I'm proud to seek passage

of the first Clean Air legislation since 1977. But I insist on a program that ^{is both environmentally beneficial and based on} ~~starts with market solutions.~~ *meant C*

And when it comes to child-care, we should rely first on the strength of families, neighborhood groups and churches. The last thing we need is another massive spending program and another *centralized* federal bureaucracy to tell parents how to care for their kids.

So my concern is for the substance of a program, not its title. I care for the means, as well as the end. **And that is why no bill will leave my desk simply because it's called "Clean Air" or "Child Care" or even "The Healthier Babies Act." **

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I believe there is nothing we can't achieve if we accept the challenge, if we work together. ((After all, this is truly a remarkable gathering. I don't think there's been so much power in one room since Malcolm Forbes' last birthday.))\\\

But power can ^{be} used in many ways. Over the years I've found, as I'm sure you have, that the great satisfactions in life come not from a title or an office, but from the day-to-day deeds that add up over a lifetime, deeds that let us leave this world just a little better than we found it.

For all you do, you have my sincerest thanks. And now I'd be delighted to hear your questions.

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Christina

THE WHITE HOUSE
WASHINGTON

SCHEDULE OF THE PRESIDENT
FOR
WASHINGTON, D.C.

WEDNESDAY, FEBRUARY 21, 1990

EVENT:

Cocktail Reception
The Business Council Dinner

DRESS:

Men - Business Suit
Women - Cocktail Dress

CONTACT:

Office of Presidential Advance
John G. Keller, Jr. - 202/456-7565

Trip Coordinator
Lucy Muckerman - 202/456-7565

ADVANCE:

Steven Broadbent - LEAD
Isaiah Mapp - USSS
Woody Lee - MIL. AIDE
Jerry George - WHCA

WEATHER:

Partly Cloudy, Low 20's

SCHEDULE OF THE PRESIDENT

FOR

WASHINGTON, D.C.

WEDNESDAY, FEBRUARY 21, 1990

7:20 pm

THE PRESIDENT boards Motorcade and departs White House en route Library of Congress.

<u>MOTORCADE ASSIGNMENTS:</u>	
Lead	
Spare	T. McBride Doctor
LIMO	THE PRESIDENT
Follow Up	
Control	A. Card Mil. Aide
Support	M. Fitzwater J. Parmer Official Photographer Medic
Staff I	Remaining Staff
Press Van I	J. Allison
Press Van II	

(Drive Time: 5 Minutes)

7:25 pm

THE PRESIDENT arrives Library of Congress and proceeds to Holding Room.

EVENT: THE BUSINESS COUNCIL DINNER

CLOSED PRESS

ON-STAGE ANNOUNCEMENT

BRIEF REMARKS

QUESTION AND ANSWER SESSION

- 7:45 pm THE PRESIDENT is announced onto Stage by Mr. Smith and remains standing.
- 7:46 pm THE PRESIDENT is introduced for Brief Remarks by Mr. Smith.
- 7:50 pm THE PRESIDENT gives Brief Remarks.
- 8:00 pm THE PRESIDENT concludes Brief Remarks and remains at Podium for Question and Answer Session.
- 8:10 pm THE PRESIDENT concludes Question and Answer Session, departs Great Hall and proceeds to Motorcade.
- 8:12 pm THE PRESIDENT boards Motorcade and departs Library of Congress en route White House.

MOTORCADE ASSIGNMENTS:

Same as on Arrival.

(Drive Time: 5 Minutes)

- 8:17 pm THE PRESIDENT arrives White House.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 02/16/90 ACTION/CONCURRENCE/COMMENT DUE BY: 02/20 11:00a.m. Tuesday

SUBJECT: PRESIDENTIAL REMARKS: BUSINESS COUNCIL (02/14 Draft Three)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMEYER	<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>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" 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:
Please provide any comments/recommendations directly to Chriss Winston by 11:00 a.m. on Tuesday, 02/20, with a copy to my office. Thanks.

RESPONSE:
OK-S.R.

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702
90 FEB 20 11:14

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Three

1990 FEB 16 PM 6:13

**PRESIDENTIAL ADDRESS: BUSINESS COUNCIL, LIBRARY OF CONGRESS
(Time), Wednesday, Feb. 21, 1990**

((Acknowledgements))

((You know me -- I, too, was the head of a company. But when I first came to the White House, I didn't start out at the top.\\ Still, it was what you could call a friendly takeover.))\\\

As President, I believe it's important for us to keep in touch, because solutions to the challenges our country faces will come -- not from government alone -- but only when we reach deep inside ourselves and find the grit and gumption to act as a people. So that's why I look to you -- as community leaders, as well as corporate leaders. I think you'll agree with me that the business of America is not business. No, the business of business is America.\\\

For example, we've all got to continue to clean up our air, our water, our beaches. We've all got to find a way to see to it that working parents can afford child care. And until recently, every successive generation of Americans was better educated than the last one. This is no longer true. So from now on, every new generation of Americans has got to move up the learning curve -- not down it.\\\

As you know, last fall I met the governors at an Education Summit in Charlottesville -- the first of its kind. We agreed that it's time to quit studying the problem and start doing something about it. And we are. Just last month, the governors and I agreed to notch our goals a little higher, to ask more of our students, our teachers, our schools and ourselves.

But even the combined resources of state and federal government alone won't tackle the job. We need you. And I couldn't come here tonight without thanking every one of you for your commitment to work with the governors of America this week. Your leadership is vital. Your contribution is appreciated.\\

When I set out my philosophy in my State of the Union address, some on the other side of the party aisle accused me of stealing partisan thunder on issues like education, or the environment or child care. I would like to respectfully suggest that these are not partisan issues. Helping others is the American mission -- my mission as President -- our mission as citizens. But where I differ with some in Washington is that I believe that unless we have a healthy, growing economy **we cannot help anyone at all.**\\

That is why I stand for a cut in the capital gains tax.\\
We need a tax code that encourages investors to put their money -
- not into a new hot tub or another car -- but in **productive**
assets that create **more jobs** and **more wealth** for **all** Americans.\\

When it comes to the environment, I'm proud to seek passage

WHITE HOUSE STAFFING MEMORANDUM



DATE: 02/16/90 ACTION/CONCURRENCE/COMMENT DUE BY: 02/20 11:00a.m. Tuesday

SUBJECT: PRESIDENTIAL REMARKS: BUSINESS COUNCIL (02/14 Draft Three)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" 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*

90 FEB 20 11:14

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

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Three

1990 FEB 16 PM 6:13

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HRV
X 5178

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HR 02
4517

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OK to Staff

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Two

**PRESIDENTIAL ADDRESS: BUSINESS COUNCIL DINNER, THE WHITE HOUSE
((Time)), Wednesday, Feb. 21, 1990**

((Acknowledgements))

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of the first Clean Air legislation since 1977. But I insist on a program that starts with market solutions.

And when it comes to child-care, we should rely first on the strength of families, neighborhood groups and churches. The last thing we need is another massive spending program and another federal bureaucracy to tell parents how to care for their kids.

So my concern is for the substance of a program, not its title. I care for the means, as well as the end. **And that is why no bill will ^{leave} cross my desk simply because it's called "Clean Air" or "Child Care" or even "The Healthier Babies Act." **

Our programs must be sound. They must be responsible. And they must do more than just draw on federal resources -- they must challenge every American to do his or her part.

I believe there is nothing we can't achieve if we accept the challenge, if we work together. ((After all, this is truly a remarkable gathering. I don't think there's been so much power in one room since Malcolm Forbes' last birthday.))\\\

But power can be used in many ways. Over the years I've found, as I'm sure you have, that the great satisfactions in life come not from a title or an office, but from the day-to-day deeds that add up over a lifetime, deeds that let us leave this world just a little better than we found it.

For all you do, you have my sincerest thanks. And now I'd be delighted to hear your questions.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 02/16/90 ACTION/CONCURRENCE/COMMENT DUE BY: 02/20 11:00a.m. Tuesday

SUBJECT: PRESIDENTIAL REMARKS: BUSINESS COUNCIL (02/14 Draft Three)

	ACTION FYI			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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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>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>DELAND</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:
 Please provide any comments/recommendations directly to Chriss Winston by 11:00 a.m. on Tuesday, 02/20, with a copy to my office. Thanks.

RESPONSE:
N/C (see question on p. 3)
2/20/90
31 FEB 20 11:31 AM '90
James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Three

1990 FEB 16 PM 6:13

**PRESIDENTIAL ADDRESS: BUSINESS COUNCIL, LIBRARY OF CONGRESS
((Time)), Wednesday, Feb. 21, 1990**

((Acknowledgements))

((You know me -- I, too, was the head of a company. But when I first came to the White House, I didn't start out at the top.\\ Still, it was what you could call a friendly takeover.))\\\

As President, I believe it's important for us to keep in touch, because solutions to the challenges our country faces will come -- not from government alone -- but only when we reach deep inside ourselves and find the grit and gumption to act as a people. So that's why I look to you -- as community leaders, as well as corporate leaders. I think you'll agree with me that the business of America is not business. No, the business of business is America.\\\

For example, we've all got to continue to clean up our air, our water, our beaches. We've all got to find a way to see to it that working parents can afford child care. And until recently, every successive generation of Americans was better educated than the last one. This is no longer true. So from now on, every new generation of Americans has got to move up the learning curve -- not down it.\\\

As you know, last fall I met the governors at an Education Summit in Charlottesville -- the first of its kind. We agreed that it's time to quit studying the problem and start doing something about it. And we are. Just last month, the governors and I agreed to notch our goals a little higher, to ask more of our students, our teachers, our schools and ourselves.

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That is why I stand for a cut in the capital gains tax.\\ We need a tax code that encourages investors to put their money - - not into a new hot tub or another car -- but in productive assets that create more jobs and more wealth for all Americans.\\

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THE WHITE HOUSE
WASHINGTON

February 20, 1990

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS

FROM: JAY S. BYBEE *jsb*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: Business Council

Counsel's office has reviewed the above-referenced matter. We have one comment. On page 2, paragraph four, we question the logic that suggests that putting money into productive assets "-- not into a new hot tub or another car --" creates more jobs and wealth. I think that Detroit would certainly say that buying more cars send economic signals to manufacturers and allows them to attract investors' money, which in turn becomes productive assets that create more jobs. A productive asset without consumer demand is just an empty factory. I would recommend deleting the phrase "-- not into a new hot tub or another car -- but".

In all other respects, we have no legal objections.

Thank you for the opportunity to comment on this matter.

cc: James W. Cicconi

90 FEB 20 11:05

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, NW.
WASHINGTON, DC 20503

DATE: 2/20

TO: Chriss Winston

TELEPHONE NUMBER: 2930

FAX NUMBER: 6218

SUBJECT OF MATERIAL: _____

NUMBER OF PAGES: 1

MESSAGE: Comments on Business Council
speech for 2/21

FROM: Mary Holland
CEO

TELEPHONE NUMBER: 5750

FAX NUMBER: FTS: 395-3744

90 FEB 20 PM 12:06

Business Council speech

For insert top of p. 3 after "solutions":

To compete in the global marketplace of the 21st century, American businesses must be more efficient...and improved efficiency will pay big dividends for the environment. All pollution is essentially waste, and if we can prevent pollution ...by improving our manufacturing processes and using energy more efficiently...we'll protect the environment at the same time that we're protecting American jobs and the American economy.

insert C

THE WHITE HOUSE

WASHINGTON

February 20, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: JIM PINKERTON

AF for JP

SUBJECT: Draft Remarks: Business Council

pg. 2, para 1, line 2 "We agreed that it's time to quit studying the problem and start doing something about it."

This graf on the Education Summit, should make the point that it's real significance was to shift the focus of the issue toward measuring progress in terms of output, i.e., how students really perform, rather than input, i.e., how much money we spend on education. We suggest, perhaps in place of the "We agreed..." sentence, something like:

must "Charlottesville represented an historic achievement: the reaching of a national consensus that we would now measure our progress in education not so much in terms of input, for instance, by how much money we are spending on education, but rather, by output, that is, just how well our schools and our students are performing."

2,4,3 "...not into a new hot tub or another car -- but in productive assets..."

Hot tubs aside, because of factors such as the U.S. auto industry's much-publicized sales slump -- a slump not eased by the recent successful introduction of large Japanese-made cars to the U.S. market, and the publicity surrounding the anti-GM movie Roger And Me, it would be safer to avoid any implied criticism of cars. Either GM or the UAW could say that this was a gratuitous slap.

While making the case that the capital gains cut helps productive assets rather than self-indulgent consumption may be a good tack for rebutting the "tax cut for the rich" argument, we suggest also mentioning the competitiveness angle, e.g.:

must "We need a tax code that encourages investors to put their money not into self-indulgent consumption but in productive assets that create jobs for all Americans. We

(more)

need a tax code that makes America competitive with its trading partners, many of which don't even have a capital gains tax."

3,2,3 "...and federal bureaucracy to tell parents how to care for their kids."

Just to reinforce this excellent point, we suggest adding the word "centralized" before "federal bureaucracy."

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THE WHITE HOUSE

WASHINGTON

February 20, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*
SUBJECT: Presidential Remarks: Business Council

The draft remarks for the President's address to the Business Council are short. I assume they have requested that his formal remarks be kept brief to leave more time for questions and answers.

The Business Council, as you know, consists of the leaders of the top hundred corporations in the country, and is half the size of the 200-member Business Roundtable. They will be looking for reassurance regarding health of the economy. And it would be useful to include a paragraph emphasizing that we are committed to macroeconomic policies that will continue the longest peacetime recovery in U.S. history.

In the third paragraph on the first page, the third sentence makes it sound as though we believe the U.S. education system is deteriorating. Scores have been improving during the 1980s and there is some evidence that we have turned the corner. What is unambiguous is that we must do much better if we are to be competitive as a nation in the 21st century. I suggest rewording the last two sentences of this paragraph more positively, while still striking a note of urgency. ✓

In the first paragraph on the second page, it implies that the goals we are establishing with the governors are notched a little higher than they were previously. In fact, this is the first time that the President and the nation's Governors have established National Education Goals. ✓

In the next paragraph it sounds like what he is asking for is business to come up with more resources. Rather than having the focus on resources, it would be useful to refer to their involvement in restructuring our education system. In this connection, this is a major project of the Business Roundtable, not the Business Council. The President should not thank them for their commitment to work with the governors. It is the Business Roundtable that will announce this project during the coming week.

When the draft refers to reducing the capital gains tax, it would be useful to have it also emphasize the Family Savings Plan. The technical title of the legislation we have now

submitted to the Congress is the Savings and Economic Growth Act of 1990. It would be useful to reference this legislation by title rather than simply refer to the capital gains reduction, which is a part of it.

With respect to clean air, the President is insisting on legislation that is not only environmentally beneficial, but that achieves those benefits in the most cost effective way possible. This is preferable to simply saying we must start with market solutions.

I hope these quick comments are helpful. If you have any questions, please let me know.

cc: James W. Cicconi

WHITE HOUSE STAFFING MEMORANDUM

DATE: 02/16/90 ACTION/CONCURRENCE/COMMENT DUE BY: 02/20 11:00a.m. Tuesday

SUBJECT: PRESIDENTIAL REMARKS: BUSINESS COUNCIL (02/14 Draft Three)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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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>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST <i>See Comm</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>DELAND</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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REMARKS:
 Please provide any comments/recommendations directly to Chriss Winston by 11:00 a.m. on Tuesday, 02/20, with a copy to my office. Thanks.

RESPONSE:

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

1990 FEB 16 PM 6:13

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Three

**PRESIDENTIAL ADDRESS: BUSINESS COUNCIL, LIBRARY OF CONGRESS
(Time), Wednesday, Feb. 21, 1990**

((Acknowledgements))

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For example, we've all got to continue to clean up our air, our water, our beaches. We've all got to find a way to see to it that working parents can afford child care. And until recently, every successive generation of Americans was better educated than the last one. This is no longer true. So from now on, every new generation of Americans has got to move up the learning curve -- not down it.\\

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Document No. 114895

WHITE HOUSE STAFFING MEMORANDUM

DATE: 02/16/90 ACTION/CONCURRENCE/COMMENT DUE BY: 02/20 11:00a.m. Tuesday

SUBJECT: PRESIDENTIAL REMARKS: BUSINESS COUNCIL
(02/14 Draft Three)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>DELAND</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY <i>See Comm</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 11:00 a.m. on Tuesday, 02/20, with a copy to my office. Thanks.

RESPONSE:

No Comment

90 FEB 20 PM 18

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

WHITE HOUSE STAFFING MEMORANDUM

DATE: 02/16/90 **90 FEB 20 AIO: 31** ACTION/CONCURRENCE/COMMENT DUE BY: 02/20 11:00a.m. Tuesday

SUBJECT: PRESIDENTIAL REMARKS: BUSINESS COUNCIL (02/14 Draft Three)

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VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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REMARKS:

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RESPONSE:

Mark -
need some anti drug language companies w/ effective & comprehensive programs 2%
can get drug use below 2% with support of drug free partnerships?
pre-employment testing?
 James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702
 JJ

Davis/Martin
Title: Biz
Feb. 14, 1990
Draft: Three

1990 FEB 16 PM 6:13

**PRESIDENTIAL ADDRESS: BUSINESS COUNCIL, LIBRARY OF CONGRESS
((Time)), Wednesday, Feb. 21, 1990**

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THE BUSINESS COUNCIL**888 SEVENTEENTH STREET, N.W.****WASHINGTON, D.C. 20006****202/296-7850**

February 20, 1990

Memorandum

The following individuals will accompany President Bush and Mr. Roger B. Smith to the Holding area at 7:40 p.m.

The Honorable James H. Billington,
the Librarian of Congress

Mr. David T. Kearns, Chairman & CEO,
Xerox Corporation

Mr. Ronald A. Morse, Development Officer
The Library of Congress

Mr. Allen E. Murray, Chairman & CEO,
Mobil Corporation

Mr. Lewis T. Preston, Chairman, Executive Committee,
J. P. Morgan & Co. Incorporated

Mr. John G. Smale, Chairman, Executive Committee
The Procter & Gamble Company

The Honorable Winston Tabb, Acting Deputy Librarian of
Congress, The Library of Congress

After an announcement has been made that The President is now entering The Great Hall, they will proceed to Table #1 and be seated.

to the goal of sight conservation to join in activities that will make Americans more aware of the steps they can take to protect their vision.

In Witness Whereof, I have hereunto set my hand this twenty-first day of February, in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fourteenth.

George Bush

[Filed with the Office of the Federal Register, 11:22 a.m., February 22, 1990]

Remarks and a Question-and-Answer Session at the Annual Dinner of the Business Council
February 21, 1990

The President. What I want to do is just make a few remarks, and then respond to a few questions, and then get out of here so you all can eat. But first I want to salute the former Chief Justice—I still refer to him as Chief—Warren Burger, and the members of my Cabinet that are here—many of you met them—other top officials in the White House scattered through the audience here. All, I might add, doing a first-class job.

I want to pay my respects to the Speaker, who is here tonight, Tom Foley, an outstanding, decent human being. I don't know where he is, but I don't want to overdo it because tomorrow I've got to fight with him on one or two things, but he's here somewhere. And to the other Members of Congress—the House—I saw John Dingell, I saw my old friend Chairman Don Riegle here. I know I'm going to miss, so I better stop right here, but I'm delighted that the Members of the Congress are here.

I also know how I got into this line of work, and when I look around this room—and I seldom speak for Barbara, but I will this time—we are very, very grateful for the terrific support that I had from so many in this room that have given me this opportunity, now going into the second year being President of the United States. And I will never forget how the political process

works, and I will never get over being grateful to many of you friends of long-standing.

We're living, as Roger [Roger B. Smith, chairman of the Business Council] pointed out, in fascinating times. President Havel just left here, and I just wish that each and every one of you could have been a fly on the wall or standing at his side to see his feeling about our institutions or our country when he came to the White House yesterday, using the expression "pinching himself to believe that it was really happening." To see him when I took him up to Lincoln's Bedroom to show him the very room in which Abraham Lincoln had signed the Emancipation Proclamation—it was a tremendously moving experience, and a privileged one, for me to witness this son of freedom, this playwright, who not long over a year ago was languishing in a prison and who is now the President of a free and, hopefully, democratic country. And it is mind-boggling, and I wish I could tell you that any of us in this room were smart enough to foresee the rapidity of change.

So, what I am trying to do, as your President, is to manage it in a prudent fashion to avoid moves that will inadvertently encourage some kind of a bad action out of the Soviet Union. We have a lot at stake in the success of *perestroika*. In this room we have some that pioneered doing business with the Soviet Union and were ahead—a lot of us here—in terms of understanding this new generation of Soviet leaders. But my view is, and I've said this in my public statements, we have a major stake in seeing *perestroika* succeed. And of course it has a major effect on the playwright, now President, that was here today. And it has the same kind of effect on a lot of other countries not only in Eastern Europe but in Western Europe.

I've elevated—or moved a little bit in the comments I've made and mentioned Gorbachev by name a time or two. And we're doing that deliberately, not to try to intervene into the internal affairs of the political process of the Soviet Union but rather to express our belief in the way in which he himself has managed the rapidity of change. Who would have thought that they would have not only accepted but encouraged the

peaceful evolution that we now see has taken place all through Eastern Europe?

Somebody says to me—you know, when we get up into a big fight on trying to keep what I think are reasonable levels of defense, the big new question, the hot one they think they're going to really burn you with it in these press conferences is: Okay, who's the enemy? It's not a bad question. But the enemy is, in my view, complacency or arrogance or something of this nature. So, I will try to manage these fascinating times, changes, in a prudent fashion; but I will be encouraging the Congress to keep prudent levels of defense because it isn't all that clear as to what is exactly going to happen.

At the same time, we'll be working on an arms control agenda with the Soviet Union that I think will result in sound agreements on conventional forces. [Secretary of State] Jim Baker got a major breakthrough the other day on the chemical weapons, and I think we can do something there. And of course the START [strategic arms reduction] talks—I see Cap [former Secretary of Defense Caspar W. Weinberger] here—that he was instrumental in now. I hope we can bring a deal to fruition on that before too long. And so, I'm looking forward to our visit with Gorbachev that will happen this spring or early summer. And I think we can have some real progress going with the Soviet Union.

On the domestic side, I would be remiss if I didn't start these few remarks by thanking so many of you in this room. I still talk about a Thousand Points of Light. And I think the American people are beginning to understand that this isn't an escape from the responsibility of the Federal Government; rather, that it is an attempt to enlist the noblest impulses of the American people in one helping another, the concept that you shouldn't measure a successful life without throwing in the equation of doing something for someone else.

And I look around this room, and I think of some of our priorities, one of them education, another the fight against drugs. And in this room, just sitting here, are people that, when they pool the resources—and I'm not just talking about money; I'm talking about talent and mobilizing people—can do more just in this room combined

than the Federal Government can do, particularly in the field of education.

And I am grateful to those who are in the forefront of this educational reform. I have in my mind a set role for the Federal Government. I don't believe the Federal Government needs to take over the local school boards. I don't believe we should set curriculum. I don't believe that we need to intervene in a salary dispute for teachers—God bless them because they do do a good job. But I do think that we have a proper role in joining with the Governors, as we did, in defining national education goals.

And several people in this room—I won't embarrass them by singling them out—have been extraordinarily helpful to me and to my team in the White House by making recommendations on the goals, recommendations that, for the most part, have been accepted by the Governors as we have set out national goals as to where we want to do the achievements levels, testing levels, excellence in math and science—that certainly will render us more competitive in the years ahead.

And so, I will press forward on an educational agenda. We have got to keep pushing the Congress to think anew. Many want to stay with the old programs that have failed and plow more money into those, and I think we've come to a point where we really have to come up with, as I say, not only these goals but the implementation of them. And it will not be done by the Federal Government alone, although the total dollars on educational spending is up.

On the antinarcotics fight, it's a prime fight. And I am grateful for the fact that Bill Bennett [Director of National Drug Control Policy] is our Drug Czar. I've never understood why we refer to people here as czars, but nevertheless, he is doing a good job. And we went down to Cartagena the other day and met with the Andean Presidents and Barco of Colombia. And we could show them that we are beginning to make progress on the demand side of the narcotics problem. I think we disarmed Barco and Alan Garcia [President of Peru] and Paz Zamora [President of Bolivia] by saying right up front, "Look, we know we're a problem. We know we're the big market."

But let me tell you what we're doing about it."

And I bragged on the work of Jim Burke [chairman of the Partnership for a Drug-Free America] and others in this room who are out front trying to—in a private way, no government involvement—making the American people and the kids, particularly, aware that this use of narcotics cannot be condoned. And once we got by the demand side, then we spelled out a rather broad agenda of working with those countries not only to abort but to interdict what was left of the supply of coca coming into this country. But as I see many business people here that do business in that area, I remain convinced that the best answer to helping in Colombia and Peru and Bolivia is your end of the line: the business. And we've got to remove some of the regulatory burdens that we have. And it isn't easy because there are strong political influences for very legitimate reasons that are protecting, but we have got to have viable economies there that depend less on growing these insidious coca leaves. But again, the reason I want to mention that subject is because I think the business community has an enormously constructive role to play. And I am, once again, very grateful to you.

I'll mention just one more topic. There are many, many subjects. I see Don Riegle here, and I am very grateful to him for his leadership in the Senate on the savings and loan business. And all these things we can talk about briefly in a question period, but there is another area I want to mention, and that has to do with the environment. I am very pleased that the business community—large business and small—are in general support of our efforts to do something about clean air in this country. Today there was an attack leveled mainly against John Sununu [Chief of Staff to the President]. That suits me just fine, but they'll get around to me tomorrow. [Laughter] But the point I want to make is this: that there are no divisions in all of this. And I, obviously, must accept responsibility. But I believe that we are in a proper position.

I want to see market incentives, as much as we possibly can, in terms of cleaning up the environment. I do not want to throw people out of work, and yet I proudly proclaim that I am an environmentalist. And

we've got a Clean Air bill that we've sent up, which is a first and—several of you had a very important input into this very important legislation. And now we find that it's being pulled one way or another by the congressional process. And some of it I might be able to accept. Nobody's going to cross the *t* exactly the way we want or dot the *i*, but there's certain limits beyond which I should not go if I remain true to my belief that we have got to find a balance between economic growth and environmental protection. And yet I'm optimistic that we can do that. And we're in a big battle now, and I would ask either your indulgence or support, depending on how you come down on these questions.

But I think we have a pretty good package, and I am convinced that we can do a good job for the environment. But it cannot be driven by the extremes. And it will not be driven by the extremes as long as I have something to say about what legislation becomes law. So, we're working on these issues.

There's others that I will be glad to take questions on, but I'll make just a general comment. I'm glad that my wife, Barbara, is working for so many of you—or put it the other way around, that you are working for her, I'm not sure which. But you have been fantastic in terms of the support for literacy and for putting an emphasis where it belongs in terms of the children of the United States of America. And I know that Barbara joins me in that sentiment, and I am very grateful for the support that she has received from so many in this room in her work on literacy, other facets of education, the homeless, and just plain caring about the American people.

So, there we are. Thank you very much for inviting me up here. And now, with no further ado, I will be glad to take a few questions until Roger gives me the hook and I will go peacefully. Who's got one?

German Reunification

Q. [Inaudible]

The President. Well, in the first place, there is concern about it, that you properly put your finger on. I think there is more concern in certain of the Western European countries and in Poland than perhaps in

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some other countries. The Soviets, obviously, have expressed their concern, mainly on the timing. They have now accepted the concept of reunification. What we are doing is to back [West German] Chancellor Kohl in the concept and let the Germans sort out the time. The longstanding NATO [North Atlantic Treaty Organization] position, just for history, has been self-determination. Let the people decide, and then the border should not be changed without agreement of all the parties. But Kohl is talking about, and I think properly so, a Germany reunited but that remains a part of NATO.

And NATO will take on a broader role. It will have more of a political role; and that is, I think, a very stabilizing thing. I had a long talk with [Czechoslovakian President] Havel, who came here with an approach: Well, let's get all of the Soviet troops out and all the U.S. troops out, and life will be beautiful. Everything will be pruning hooks and plowshares. But I think I convinced him that the United States—wanted by Western Europe and, indeed, by some of the countries in Eastern Europe—is there as a stabilizing force. And my approach will be—and Helmut Kohl is coming up this weekend to Camp David—to support the concept, let the Germans make the determination. You may remember the formula two-plus-four: Let the two Germanys discuss it, and then we go to the Four Powers that have responsibilities under the post-World War II peace agreement—their agreement there—sort out the details.

But the way we see it is a Germany that is unified, a U.S. presence in Western Europe, no advance of what are known as allied troops into the GDR [German Democratic Republic], and a withdrawal of Soviet troops from places where they are not wanted. And that, I think, will take place regardless of what happens to Germany, just given the momentum and the feeling of these newly found democracies. And I think that will provide a rather stable environment.

Now, some of you do an awful lot of business in the Federal Republic, and you know that the German political scene is sometimes highly volatile. And we can't foresee what's going to happen with the Socialists in Germany; and when they align with the Socialist party, SPD, in East Germany,

you're going to have an equation that nobody can analyze. Are the East Germans Socialists—are they going to join automatically with their brethren in the Federal Republic? Or are they going to say: Hey, wait a minute. We have no linkage there because we're the ones who now want to throw off the yoke of socialism in a classic sense.

So, I still think unification—we're not going to do anything about it; nothing can be done about it. A U.S. presence, forces in the Federal Republic but that do not move in any threatening way to the Soviet Union—and I believe the Soviets have accepted this pretty much.

And then the other question is the Polish border. All of us know that could be highly contentious and emotional and inflammatory. But there I think we're going to see an agreement out of the two-plus-four—the six—that there will be no changes in that border certainly without the consensus and agreement of all the countries involved. And that would include in that instance the Soviet Union.

So, that's the way we're going, and I think it will result in stability. I hope it will. But we are not pressing the timetable. We're not pushing it, nor do I think it's the role of the United States to try to impede it. Gorbachev did that for a while, and he felt something was moving awful fast. And that's why he said what he did to Kohl about 10 days ago in Germany, which was, Look, in principle, we understand reunification. I can tell you that a month and a half ago he didn't feel that way, because I talked to him directly about it, and they were urging a real cautionary approach to German reunification.

Private Sector Support for Education

Q. In the area of education, first, I think we all want to commend you for your leadership in this area. Do you have any suggestions which the private sector—particularly the major companies of our country—can do to give some help in this area?

The President. Yes, and there's a lot of great examples in this room. I will refer you to John Akers [chairman, International Business Machines Corp.] or David Kearns [chairman of the executive committee,

Procter and Gamble Co.] or John Smale [chairman and chief executive officer of Xerox Corp.] or so many others because there are some marvelous examples of how a corporation can get involved in programs like mentoring. I understand that many companies have agreed to actually take a significant role in working with the localities and freeing up corporate personnel to go in and help on some of these programs. And I think that's an important area. But I think right in this room there are some marvelous examples of corporate involvement. And we have a program at the White House, an office, Thousand Points of Light—a young man, a dedicated, idealistic guy named Gregg Petersmeyer [Deputy Assistant to the President and Director of the Office of National Service]. Some of you knew his dad when he was in the communications business. And Gregg, if you just get in touch with him, can send you the best of what small business and large are doing. And I think and hope it would be helpful. And maybe the council staff itself could be involved in disseminating some of that information.

Defense Spending

Q. [Inaudible]

The President. Well, I'm concerned about it. And they have some legitimate questions. We're up for two missiles, and that may be a difficult, the Soviets having modernized a couple of really advanced type of missiles. And we're up for that. We're going forward with requests on the B-2 and the SDI [Strategic Defense Initiative]. And the question we get back is: Who's the enemy? And the answer I send back up there is: Well, let's be prudent and careful until we can see extraordinarily clearly where we're going. And I'm not suggesting that Ligachev [Soviet Politburo Member and Chairman of the Agrarian Policy Committee] will come in and you'll have a diametric different approach or that Soviet military's going to take over.

But we just don't know, and therefore, we have to have prudent levels. And we may have to take some hits. We're way down from what the previously recommended levels were in defense spending. And I know very well that the constituency is being whittled away all the time. And

we're rethinking the kind of force we need. But until, one, the international situation is clear, and until we have completed the review of the kind of force we need—and General Powell [Chairman of the Joint Chiefs of Staff] is involved in that right now—I will simply be urging that we not make imprudent cuts in defense.

But in the areas that I've mentioned it's going to be a hard hold for me. It's going to be difficult because people are looking at it that we have to choose between one missile, not two. Or you have to—here's Don Atwood [Deputy Secretary of Defense]. The poor guy lives with this every single day. And I might say I'm glad one of your former members is willing to undertake, really, the sacrifice involved to come into a high level in this government. But we're under fire. He can talk to you later about the details of it. But I think there's a recognition that we don't want to do anything silly, and we don't want to make cuts that are too drastic.

Having said that, I think our troop level, CFE [conventional force reductions in Europe] proposal has been well received. Our allies are saying, Please, until we get CFE done, let's have that as a floor, not some ceiling. And let's hold it. And I think we need to do that to keep our allies together on it. But that's a hard sell because people say, Hey, the Soviets are going to have to get out. Why don't we do more? So, there's another area that we're going to have some difficulty. But I want to see a CFE agreement brought to fruition and, hopefully, to be signed at a CSCE [Conference on Security and Cooperation in Europe] meeting this summer. I think we can do that, as a matter of fact.

But Soviets are making representations of declined spending on defense. And yet a big percentage of the GNP—Bill Webster [Director of Central Intelligence] can give you a close number—I think 17 percent, maybe more, going into defense. And you might say, Well, if everything [is] plowshares and pruning hooks, why are they doing this? So, my innate caution says, Let's have a sound defense program. But those areas I mentioned are the ones that are going to be the toughest to hold, I think.

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And we got another question. And I see Don here. And I expect John Dingell would agree there is still a sentiment up there in the Congress that perhaps I would have indulged in if I were still a Member from the 7th District of Texas, and that is if you're going to close a base, that's great, but be sure to close it in somebody else's State or somebody else's congressional district. We've got in [Secretary of Defense] Dick Cheney and Don Atwood, people that have looked at this without any politics involved at all. Some say, Hey, that's a Democratic congressional district. And I say, Yes, and it's a Republican Governor in the State of California. So, come on with something else; don't give me that one. And so, what we're going to try to do is have a prudent approach to defense spending in this country as well. And it isn't easy, as Don knows. But we're going to keep with it and try to encourage the American people to support what we're doing there.

And then we need a lot of programs to help alleviate the suffering or the economic reversal that goes with the closing of a base. But if you look at some of the places they have been closed, the record is pretty good on economic diversification. But that one is one where we'll be taking the offense. And I've been around here long enough to know that it's not going to be easy, but I'm determined to go forward with it.

China

Q. Just a minute on your thoughts about China, the direction they're going?

The President. Well, I'll have to confess to a certain discouragement. And I would point—a turning point, as what happened to the [former Romanian first family] Ceausescus in Romania and what happened to that Romanian revolution. But as you know, I was in a different posture—a fairly lonely one—with the Congress in terms of whether the way to handle the students in this country was through legislation or through Presidential Executive order. I maintain to this day that the Executive order that I signed and put into effect did more than the legislation, the Pelosi bill, would have done.

But the students sent everybody Christmas cards. Three of the student groups, the

two biggest ones, ironically, were supporting the President's position, and so were some of the biggest benevolent associations in China-America. I'm thinking in the San Francisco, Steve, and some of these groups gave me strong support. But the Chinese students, those that were most vociferous, were well-financed from someplace and did a very good job, saying the only way to guarantee their ability to stay in this country was through legislation.

And my view is, in dealing with China the way I did, I am not condoning tyranny. I am not doing as the Democratic leader said up there today: turning my back on human rights. What I am trying to do is preserve enough contact so the United States can have some influence. And it is my belief that the Fulbright program, the fledgling Peace Corps program is the way you approach bringing about change, and especially with China. And when Mr. Fairbank, a very distinguished Chinese scholar, said the worst way you deal with China—they are different, and if you think the way to do it is to slap them publicly in the face, that's not the way to do it.

But I cannot tell you that I'm happy about it, David [Kearns], because since the Romanian thing, there has been less forward motion. There's been some. They lifted martial law, and then the liberal press jumped all over me, saying it didn't amount to anything. It did, in my view. They've done a few other things, but they're small. But I can't tell you that the results of trying to keep contact have been totally satisfactory, but I'm going to do it because I believe that we will be in a position to effect change in China by this kind of at least having some contact with them.

And the idea that China is exactly the same as these other countries—I don't believe it. So, I'm on a little different wavelength with many, and yet I'm convinced that someday this policy will pay off. It hasn't. We want to see the release for Fang Lizhi, this dissident that's in the American Embassy. That has not taken place. They have lifted the ban on VOA [Voice of America] coming in there, but they're still jamming it.

So, there's a mixed review at this point. And yet I have a feeling that China works

**Remarks at the Presentation Ceremony
for the American Institute of Architects
Gold Medal Award**

February 22, 1990

The President. Now, officially, welcome to the White House. I'm delighted to see Bill Reilly here, our head of the environment [Environmental Protection Agency]; John Frohnmayer, the arts [National Endowment for the Arts]; and so many others. I might single out Rex Scouten, the curator of the White House, sitting behind you. Some know him, but Barbara and I have great respect for him.

As early as 1909, the Presidents, including Taft, Harding, and Franklin Roosevelt, have presented the Gold Medal of the American Institute of Architects to the best of the world's architects; and I am honored and very pleased to continue this tradition.

Architecture holds up a mirror to the soul of any nation; and American architecture, with its rich variety of styles and regional differences, is as diverse and as dynamic as the American people themselves. We recognize that the quality of our lives is shaped by the quality of the environment we create. We understand that the spirit of our country can be seen in our architecture. From the majestic monuments of this, our capital city, to the gentlest main street in smalltown America, our buildings speak to us of who we are, where we have been, and where we're going.

In the spirit of celebrating the best of our nation's architecture, we are here to honor a very special architect, Fay Jones, who has dedicated his life to shaping the American landscape, to making our country a better place to live through the power of the creative mind.

Through humble materials and simple forms, Mr. Jones has created architecture of great power and space. His reverence for the land and his respect for the inner needs of the people who visit or dwell in his buildings give his architecture rare beauty and dignity. In the Nation's heartland, in places like Eureka Springs, Arkansas, and Pica-yune, Mississippi, he has built masterworks of design that touch the heart as well as the mind. Grounded firmly in his Ozark roots,

in more mysterious ways than other countries. And I don't know what internal struggles are going on right now, but I'll guarantee you there are some. And Deng Xiaoping [Chairman of the Central Military Committee] was out three times and bounced back four. And who knows what's going to happen to Zhao Ziyang [former General Secretary], who has not been stripped of all his party powers. He's still a member of the Communist Party there. And let's just see how it works. But I say, it's a little lonely.

Thank you all very much.

Note: The President spoke at 8:03 p.m. in the Great Hall at the Library of Congress.

**Nomination of James Henry Michel To
Be an Assistant Administrator of the
Agency for International Development**

February 22, 1990

The President today announced his intention to nominate James Henry Michel to be an Assistant Administrator of the Agency for International Development for Latin America and the Caribbean, U.S. International Development Cooperation Agency. He would succeed Dwight A. Ink.

Since 1987 Ambassador Michel has served as Ambassador to the Republic of Guatemala. He served in several positions at the Department of State in Washington, DC, including Principal Deputy Assistant Secretary for Inter-American Affairs, 1983-1987; deputy legal adviser, 1978-1982; assistant legal adviser for politico-military affairs, 1974-1977; deputy assistant legal adviser for politico-military affairs, 1971-1974; and attorney-adviser in the Office of the Assistant Legal Adviser for Administration, 1965-1971.

Ambassador Michel graduated from St. Louis University School of Law (J.D., 1965). He was born August 25, 1939, in St. Louis, MO. Ambassador Michel is married and has four children.