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Subseries: Chron File, 1989-1993

OA/ID Number: 13602
Folder ID Number: 13602-007

Folder Title:
National Grocers Association 2/4/92 [OA 6096] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	26	17	6	3

92 JAN 30 P 5. **WHITE HOUSE STAFFING MEMORANDUM**

DATE: 1/29/92 ACTION/CONCURRENCE COMMENT DUE BY: THURS. 1/30/92 4:00pm

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
ORLANDO, FL. - TUESDAY, FEB. 4, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	—	✓	HORNER	—	—
SKINNER	—	✓	MCCLURE	✓	—
SCOWCROFT	✓	—	PETERSMEYER	—	—
DARMAN	✓	—	PORTER	✓	—
BRADY	—	✓	ROGICH	✓	—
BROMLEY	—	—	SMITH	✓	—
CARD	—	✓	<u>BOSKIN</u>	✓	—
DEMAREST	✓	—	<u>DELAND</u>	✓	—
FITZWATER	—	✓	<u>KAUFMAN</u>	—	✓
GRAY	✓	—	<u>FINDLAY</u>	—	✓
HOLIDAY	—	—	<u>SNOW</u>	—	✓

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 p.m., THURSDAY, JANUARY 30, with a copy to this office. Thank you.

RESPONSE:

*See comments. Thanks.
PK
Paul Korfonta
01/30/92*

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

02 JAN 29 P2:39

(Duggan/Simon)
January 29, 1992
Draft Three
Grocers

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
ORLANDO, FLORIDA
TUESDAY, FEBRUARY 4, 1992
[time]

[Acknowledgments, humor]

It's a pleasure to be with you. I'll always remember the warm reception the National Grocers Association gave me when I addressed your 1985 convention in New Orleans. You gave me a good education about your business then, and I remember it still.

Of course, our world has changed dramatically since 1985. We won the Cold War. We led a coalition in the Gulf to crush Saddam Hussein's aggression in Kuwait. We have created a world with the prospects of unprecedented prosperity and peace.

But we've also ^{temporarily (Transitory)} run into hard times. Our economy has slowed down, and we must get it fired up again. The professional pessimists tell us America has become weak and disabled -- that our economy has fallen and it can't get up.

Well, that's just plain bunk. We'll get up and running in no time -- and we'll do it the old-fashioned way: We'll use our common sense, our work ethic, our determination, and we'll carry the entire world into the Next American Century.

You don't have to be a rocket scientist to understand how. You just stick with the basics. I proposed a common-sense action ^(OCA) plan last week in my State of the Union address. It gets ^{creates jobs by} investment going, because you can't build new businesses without

getting

new investment. It strengthens the industries that historically have led us into recoveries -- especially real-estate. It hacks away obstacles to growth -- ^{unnecessary/burdensome} regulations, high taxes, nuisance lawsuits. It cuts the federal deficit by cutting spending. And it builds on our strengths. It lets American workers and businesses show the world what they can do.

All over this country, families, businesses and even local governments have grasped a simple fact: The world has changed. The old ways won't do. If we want to remain the world's economic dynamo, we've got to get leaner and tougher. We've got to change with the times, and abandon old ways from the old days.

More to the point, we've got to get Washington moving toward the 21st Century. To do that, I need your help. I've asked Congress to enact some laws that will ^{create jobs by getting} ~~get~~ our economy moving and growing again -- and I've given Congress a deadline: March 20. Circle that Friday on your calendar. I have. Call it J-Day: The day by which Congress needs to take a few simple steps to create good American jobs -- now.

(OCA)

Here's what I want by J-Day. First, incentives to ~~invest~~ ^{needed changes to the} ~~an amended~~ alternative minimum tax, ~~and~~ a 15-percent investment tax allowance, and a permanent research & development tax ^{make productive investments:} credit.

Second, incentives to build and buy real-estate: A change in passive-loss rules for active real-estate ^{developers} ~~investors~~; penalty-free withdrawals from IRAs for first-time homebuyers, and a \$5,000 tax credit for the ~~first~~ purchase of that first home.

(OCA)

↓
Important:
big difference → not available to "investors"

Third, incentives to succeed: Cut the capital gains tax.

This tax hurts anyone who has made a sensible investment -- in a home, a business, a farm, even a pension plan. None of our key economic competitors taxes gains at high rates -- Japan's effective rate comes to about 1 percent; Germany doesn't tax long-term capital gains at all. The world's fastest growing economies let people collect their capital gains tax-free. Let's stop penalizing ~~and~~ ^{savings and investment.} ~~and~~ Cut the capital gains tax -- now.

Three measures, three pieces of common sense; three things Congress should do by March 20. I'm counting on your help.

In the meantime, I've initiated some reforms that will get the economy moving -- without having to wait for Congress to act.

~~Here's one you should know~~ I've imposed a 90-day freeze on federal regulations that could hinder economic growth. During that period, all departments and agencies will review regulations, old and new -- to stop the ones that will hurt growth and speed up those that will help growth.

I see from your convention schedule that you have a workshop entitled: "The Regulators Are Back." No wonder: You can't get through a day without having to worry about ^(OCA) ~~workplace safety~~ ^{the G-men picking apart} ~~regulations, food safety regulations, environmental regulations.~~ ^{your business}

Now, no one objects to the stated aims of these regulations: ^(OCA) ~~Health and safety and respect for the environment are classic,~~ ^{they offer}

^{represent} Mom-and-apple pie social values. But you know better than anyone that when regulators carry regulation too far, there won't be any apple pie for Mom to buy.

(Treasury)

I ran a council on deregulation for eight years, as vice president. And I'm here to assure you, ^{of my continued commitment to} The spirit of ^{prudent progress} deregulation is back. I want you to be able to spend your time worrying about what you can do for your customers -- rather than fretting about what some regulator might do to you.

The greatest lesson of this century is: Government micromanagement doesn't work. After seventy years of tragic failure, the leaders in Moscow finally recognize that total government regulation produces only one thing: total failure. Now, Russians want to try something different -- like grocery stores with groceries on the shelves.

I find it a bitter irony that some in Congress still favor government coercion and control over freedom and competition. It's as though we'd entered a time warp. When I hear the shrill sounds of "soak the rich" demagoguery -- when I hear politicians demand more taxes, regulations, government coercion and control, I wonder: Where have these people been for the past three years? ^{where have they been for the past 300 years! (OCH)}

Let me make you a promise: If Congress sends me any new ^{which costs jobs by making (OCH)} ~~legislation to~~ make economic regulation more intrusive, more burdensome, more unreasonable, I'll veto it. Here's an example: The so-called FDA enforcement bill. I'm sure those of you who sell your own private-label groceries aren't exactly thrilled by the prospect of regulatory G-Men prowling around America's food factories and piling on new record-keeping burdens. But that's just what some in Congress want to do. Well, let me tell you in

I like the repetition and emphasis on March 20! (OCA)

5

no uncertain terms: That bill, and coercive bills like it, are big fat targets for my veto pen.

And if Congress sends unfunded mandates down to state and local governments, I'll tell ~~it~~ them (don't depersonalize Congress make individuals responsible) to make a choice: Pay for the mandates without raising taxes, or get ready for a veto. The federal government spends too much money as it is. It has no right to force state and local governments to accept new burdens. (OCA)

Again, Congress can help get the economy moving if it will stop demagoging and do the right thing. Remember: March 20.

But we also need to look beyond the J-Day agenda. I proposed an eight-point long-term plan in my State of the Union address. I want to highlight three of those measures today.

First, let's ^{create American jobs by opening} ~~open~~ up and expand ^{ing} markets all over the world. (OCA)
A revolutionary new GATT agreement will make the world trading system come to grips with the damaging tariffs and ^{export} ~~subsidies~~ in agriculture. (OCA)
And by tearing down economic barriers with Mexico and Canada, a new North American Free Trade Agreement will lift us to new heights of prosperity.

Second, let free choice and free markets reform our health care system. I've proposed a health insurance tax credit of up to \$3,750 for each low-income family. My plan also assures that Americans will have access to basic health insurance even if they change jobs or develop serious health problems. We can't improve health care by jeopardizing the financial health of labor-intensive businesses. That's why I'll never sign my name to any

COGS jobs by 6 mandating the (OCA)
scheme that mandates benefits an employer should pay.

Third, let's strengthen the family -- the cornerstone of the American dream. Let's ease the burden of child-rearing. The personal tax exemption has not kept up with inflation. In 1948 (?), the personal exemption was set at \$---. In 1992 dollars, that exemption would be worth \$---. But over the years, we've only increased the exemption to \$----. I'm asking Congress immediately to increase the exemption for each child by \$500. We can afford this move in the right direction.

Look at my economic proposals and you will find simple, plain solutions to our problems. Some may complain that they lack the flash of an expensive new program. But I'm not seeking spending for spending's sake. I want results. My plan is sound and it will work.

If you hear people in Congress gripe that they can't get the job done by March 20, remind them: We won the Gulf War in 45 days. Surely Congress can pass my urgent domestic initiatives in 53 days. Remember, Congress can act with lightning speed when it wants to. It took the House of Representatives just one day to shut down its bank and thereby stop its little problem with check-bouncing.

So: Accept no excuses. Accept no delays. And accept no substitutes.

With your help -- we'll get America moving again soon.
Thank you. May God bless you and the United States of America.

#

(Treasury)
52 or 53??
53
Great (OCA)

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DARMAN	—	—	PORTER	✓	—
BRADY	—	✓	ROGICH	✓	—
BROMLEY	—	—	SMITH	✓	□
CARD	—	✓	<u>BOSKIN</u>	✓	—
DEMAREST	✓	—	<u>DELAND</u>	✓	—
FITZWATER	—	✓	<u>KAUFMAN</u>	—	✓
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✓
Halp
x3/20

Nate Green's Remarks Stiffing Reg.

Third, incentives to succeed: Cut the capital gains tax.

This tax hurts anyone who has made a sensible investment -- in a home, a business, a farm, even a pension plan. None of our key economic competitors taxes gains at high rates -- Japan's effective rate comes to about 1 percent; Germany doesn't tax long-term capital gains at all. The world's fastest growing economies let people collect their capital gains tax-free. Let's stop penalizing excellence. Cut the capital gains tax -- now.

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This is phariseal
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pick in the
regulator
as is done
as the
regulatory
is we -
most people
do want
safe workplaces.

what some regulator is going to do to you because of some thoughtless regulation.

Scully
5178

Scully
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Second, let free choice and free markets reform our health care system. I've proposed a health insurance tax credit of up to \$3,750 for each low-income family. My plan also assures that Americans will have access to basic health insurance even if they change jobs or develop serious health problems. We can't improve health care by jeopardizing the financial health of labor-intensive businesses. That's why I'll never sign my name to any

scheme that mandates benefits an employer should pay.

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(?), the personal exemption was set at \$⁶⁰⁰---

that exemption would be worth \$^{3,425}---

only increased the exemption to \$^{2,150 -91}---

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#

*Al-Samirie
x5873*

Using the change in the CPI since then, the exemption would be \$3,425 in terms of 1992 dollars.

The personal exemption was \$2,150 last year.

THE WHITE HOUSE

WASHINGTON

January 30, 1992

JAN 30 5:59

MEMORANDUM FOR TONY SNOW
DEPUTY ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF SPEECHWRITER
FROM: *Chester Paul Beach, Jr.*
CHESTER PAUL BEACH, JR.
ASSOCIATE COUNSEL TO THE PRESIDENT
SUBJECT: Draft Presidential Remarks - National Grocers'
Association, Orlando, Florida

This responds to Phil Brady's memorandum of January 29, 1992, requesting comments on these draft Presidential remarks.

Upon review, this Office has no legal objection to the remarks as proposed. We do have two stylistic comments to offer for consideration:

1. At the fourth paragraph on page 1, we recommend substituting "again" for "in no time." "In no time" is an indefinite phrase which, if it suggests anything, suggests an even more immediate recovery than anyone forecasts. Within the context of the entire speech, "again" strikes an optimistic note without the risk of seeming unrealistic.
2. We also recommend deleting the second sentence in the third paragraph on page 4. It does not add to the argument, and could be construed to suggest that our present economic difficulties are the result of "more taxes, regulations, government coercion and control" during the "past three years" of this Administration.

Thank you for the opportunity to comment.

Document No. 303093ss

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DEMAREE	—	—	<u>DELAND</u>	✓	—
FITZWATER	—	✓	<u>KAUFMAN</u>	—	✓
GRAY	✓	—	<u>FINDLAY</u>	—	✓
HOLIDAY	✓	—	<u>SNOW</u>	—	✓

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see comments
PS

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With your help -- we'll get America moving again soon.
Thank you. May God bless you and the United States of America.

#

^{92 44786}
WHITE HOUSE STAFFING MEMORANDUM
 1/30/92

DATE: 1/29/92 ACTION/CONCURRENCE COMMENT DUE BY: THURS. 1/30/92 4:00pm

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
 ORLANDO, FL. - TUESDAY, FEB. 4, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	—	✓	HORNER	—	—
SKINNER	—	✓	MCCLURE	✓	—
SCOWCROFT	✓	—	PETERSMEYER	—	—
DARMAN	✓	—	PORTER	✓	—
BRADY	—	✓	ROGICH	✓	—
BROMLEY	—	—	SMITH	—	—
CARD	—	✓	BOSKIN	✓	—
DEMAREST	✓	—	DELAND	✓	—
FITZWATER	—	✓	KAUFMAN	—	✓
GRAY	✓	—	FINDLAY	—	✓
HOLIDAY	✓	—	SNOW	—	✓

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than **4:00 p.m., THURSDAY, JANUARY 30**, with a copy to this office. Thank you.

RESPONSE:

*Should play more on news & pop America
 people who shop at these stores
 what will it mean for
 them —*

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

Less talk about programs - more focus on impacts on me

32 JAN 29 P2: 39

(Duggan/Simon)
January 29, 1992
Draft Three
Grocers

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
ORLANDO, FLORIDA
TUESDAY, FEBRUARY 4, 1992
[time]

[Acknowledgments, humor]

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But we've also run into hard times. Our economy has slowed down, and we must get it fired up again. The professional pessimists tell us America has become weak and disabled -- that our economy has fallen and it can't get up.

Well, that's just plain bunk. We'll get up and running in no time -- and we'll do it the old-fashioned way: We'll use our common sense, our work ethic, our determination, and we'll carry the entire world into the Next American Century.

You don't have to be a rocket scientist to understand how. You just stick with the basics. I proposed a common-sense action plan last week in my State of the Union address. It gets investment going, because you can't build new businesses without

new investment. It strengthens the industries that historically have led us into recoveries -- especially real-estate. It hacks away obstacles to growth -- regulations, high taxes, nuisance lawsuits. It cuts the federal deficit by cutting spending. And it builds on our strengths. It lets American workers and businesses show the world what they can do.

All over this country, families, businesses and even local governments have grasped a simple fact: The world has changed. The old ways won't do. If we want to remain the world's economic dynamo, we've got to get leaner and tougher. We've got to change with the times, and abandon old ways from the old days.

More to the point, we've got to get Washington moving toward the 21st Century. To do that, I need your help. I've asked Congress to enact some laws that will get our economy moving and growing again -- and I've given Congress a deadline: March 20. Circle that Friday on your calendar. I have. Call it J-Day: The day by which Congress needs to take a few simple steps to create good American jobs -- now.

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④ EXPANSION ~~WAS~~ ASPECT AND 60% WHO
WILL BE HELPER BY CUT -

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④ This tax hurts anyone who has made a sensible investment -- in a home, a business, a farm, even a pension plan. None of our key economic competitors taxes gains at high rates -- Japan's effective rate comes to about 1 percent; Germany doesn't tax long-term capital gains at all. The world's fastest growing economies let people collect their capital gains tax-free. Let's stop penalizing excellence. Cut the capital gains tax -- now.

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Second, let free choice and free markets reform our health care system. I've proposed a health insurance tax credit of up to \$3,750 for each low-income family. My plan also assures that Americans will have access to basic health insurance even if they change jobs or develop serious health problems. We can't improve health care by jeopardizing the financial health of labor-intensive businesses. That's why I'll never sign my name to any

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Document No. 303093ss

92 JAN 30 P4:10

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ORLANDO, FL. - TUESDAY, FEB. 4, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
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SKINNER	=	✓	MCCLURE	→	=
SCOWCROFT	✓	=	PETERSMEYER	→	=
DARMAN	✓	=	PORTER	✓	=
BRADY	=	✓	ROGICH	✓	=
BROMLEY	=	=	SMITH	✓	□
CARD	=	✓	<u>BOSKIN</u>	✓	=
DEMAREST	✓	=	<u>DELAND</u>	✓	=
FITZWATER	=	✓	<u>KAUFMAN</u>	=	✓
GRAY	✓	=	<u>FINDLAY</u>	=	✓
HOLIDAY	✓	=	<u>SNOW</u>	=	✓

REMARKS:

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RESPONSE:

Comments Pgs - 3, 4, 5 + 6

PH 1/30/92

Note: pg 6 - Too early to be this caustic - will need bipartisan support to pass the Small Business Package - AND

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
E-1 2702

J2 JAN 29 P2: 39

(Duggan/Simon)
January 29, 1992
Draft Three
GrocersPRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
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*we have not
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DARMAN	✓	—	PORTER	✓	—
BRADY	—	✓	ROGICH	✓	—
BROMLEY	—	—	SMITH	✓	□
CARD	—	✓	<u>BOSKIN</u>	✓	—
DEMAREST	✓	—	<u>DELAND</u>	✓	—
FITZWATER	—	✓	<u>KAUFMAN</u>	—	—
GRAY	✓	—	<u>FINDLAY</u>	—	✓
HOLIDAY	✓	—	<u>SNOW</u>	—	✓

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RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

32 JAN 29 P2:39

(Duggan/Simon)
January 29, 1992
Draft Three
Grocers

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ORLANDO, FLORIDA
TUESDAY, FEBRUARY 4, 1992
[time]

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#

(Duggan/Simon)
January 29, 1992
Draft Three
Grocers

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
ORLANDO, FLORIDA
TUESDAY, FEBRUARY 4, 1992
[time]

[Acknowledgments, humor]

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Well, that's just plain bunk. We'll get up and running in no time -- and we'll do it the old-fashioned way: We'll use our common sense, our work ethic, our determination, and we'll carry the entire world into the Next American Century.

You don't have to be a rocket scientist to understand how. You just stick with the basics. I proposed a common-sense action plan last week in my State of the Union address. It gets investment going, because you can't build new businesses without

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#

WHITE HOUSE STAFFING MEMORANDUM

92 JAN 30 4:10

DATE: 1/29/92 ACTION/CONCURRENCE COMMENT DUE BY: THURS. 1/30/92 4:00pm

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
ORLANDO, FL. - TUESDAY, FEB. 4, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DELAND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 p.m., THURSDAY, JANUARY 30, with a copy to this office. Thank you.

RESPONSE:

AS IS R

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

02 JAN 29 P2: 39

(Duggan/Simon)
January 29, 1992
Draft Three
Grocers

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0662

92 JAN 30 10:33

WHITE HOUSE STAFFING MEMORANDUM



DATE: 1/29/92 ACTION/CONCURRENCE COMMENT DUE BY: THURS. 1/30/92 4:00pm

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION

ORLANDO, FL. - TUESDAY, FEB. 4, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
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SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>DELAND</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>KAUFMAN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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RESPONSE:

MEMORANDUM FOR TONY SNOW

January 30, 1992

The NSC staff concurs with the draft presidential remarks.

Brent Scowcroft
Brent Scowcroft

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

cc: Phillip D. Brady

02 JAN 29 P2:39

(Duggan/Simon)
January 29, 1992
Draft Three
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Again, Congress can help get the economy moving if it will stop demagoging and do the right thing. Remember: March 20.

But we also need to look beyond the J-Day agenda. I proposed an eight-point long-term plan in my State of the Union address. I want to highlight three of those measures today.

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scheme that mandates benefits an employer should pay.

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So: Accept no excuses. Accept no delays. And accept no substitutes.

With your help -- we'll get America moving again soon.
Thank you. May God bless you and the United States of America.

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(Duggan/Simon)
January 28, 1992
Draft One
Grocers

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
ORLANDO, FLORIDA
TUESDAY, FEBRUARY 4, 1992
[time]

[Acknowledgments, humor]

It's a pleasure to be with you. I'll always remember the warm reception the National Grocers Association gave me when I addressed your 1985 convention in New Orleans. You gave me a good education about your business then, and I remember it still.

Your members are independent local and regional supermarkets and small supermarket chains. Typically, your firms are still owned and managed by your founding families. Together with our larger, national supermarket chains and the old-fashioned corner stores that still flourish in many communities, you proudly fill the retail end of the most efficient distribution system in the world. \\

If you're looking for evidence that this is the greatest country on earth, there's no better place to start than with American food and agriculture. From our farmers, through our food processors and wholesalers, to our grocers, our system gives Americans a bounty of nutritious and appetizing food at ever more affordable prices and in ever more convenient varieties and packages. [Fill in statistical data to demonstrate ever more affordable prices]

Other nations may boast economic achievements that earn our admiration, but no one matches our food distribution system -- it is, quite simply, the envy of the world. During the Cold War era, whenever we had influential visitors from the Communist bloc, as often as possible we would take them to see American supermarkets. You may remember that on Mikhail Gorbachev's first trip to the United States, President Reagan arranged for him to visit a Safeway store. Visits like these gave leading communists from Gorbachev on down a glimpse into the secret to your success -- the secret to America's success. And that secret is what I'm fighting to renew for all Americans in all the industries and sectors of our economy: freedom, opportunity and competition.

Family-run grocery stores are living, working parables about the American dream. Your own business may have started with the savings and sacrifice and stubborn will of a grandmother or grandfather, perhaps an immigrant to this country. For a start-up grocer from Poland or Germany or Italy, the first step in becoming competitive may have been to learn English as a second language. For everyone in the grocery business -- then and now -- the foundation of marketing is being a good neighbor.

Dealing in perishables in an age before refrigeration, your grandparents didn't need computers or MBAs to master the skills of just-in-time delivery and inventory management. Now that advanced education and technologies are commonplace in the grocery business, you're serving American consumers better than ever. And like your forebears, you're working wonders on the

thinnest of profit margins and in the face of bracing competition.

Woman for woman and man for man, you're the best marketers in the world. And I hope you're prepared to put your talent to work for a very special assignment.

You see, I need your help. I need you to apply your very best motivational skills to getting Congress to do its job. I've asked Congress to enact some laws that will get our economy moving and growing again. You're the kind of people who can motivate Congress to get its job done urgently -- and to get it done right.

I've given Congress a deadline for action. The deadline is March ~~15~~²⁰ -- that's less than six weeks away.

I've asked Congress to enact some proven remedies for the economic slowdown. They're proven by long years of experience showing that heavy taxes and government regulation can kill the dreams of families and enterprises. They're confirmed in the age-old wisdom that sound economic policy makes good social policy. In other words, what's good for our families and neighborhoods is what's best for the nation.

First, therefore, I'm seeking greater economic freedom and relief from high taxes -- so that young families can fulfill their dream of buying a first home. I hope you will join me in demanding that Congress enact my plan to allow first-time home buyers to withdraw savings from IRAs without penalty -- and to take a \$5,000 tax credit on the purchase of a first home. Real

estate has led our economy out of almost every recession we've ever had. And I think it's simple common sense to see how the multiplication of jobs and the settlement and growth of families in your neighborhoods would be a boon to your retail businesses.

Next, we must cut the capital gains tax. This tax penalty against homeowners, against farmers, against business owners and investors large and small is cripplingly steep. Our high capital gains taxes are wildly out of line with those in some of the most successful economies of the world. In Japan, when a business founder builds an enterprise for years and then sells it, he pays an effective capital gains tax rate of only 1 percent. Germany imposes no tax on capital gains. Singapore, the economic miracle in Southeast Asia where I visited last month, has no tax on capital gains.

I'm asking you to pour extra energy into the drive for cutting our capital gains taxes to reasonable levels. There's a bedrock of support for this. Just a couple of years ago, we came within an eyelash of winning a healthy cut in capital gains taxes. We had bipartisan majorities lined up in both houses of Congress. But our effort ran up against a roadblock -- by a legislative maneuver that thwarted the will of the majority. I won't mince words. Our earlier drive to cut the capital gains tax was stopped by the pure partisan pettiness of the Senate Democratic leader.

Lower capital gains taxes should be a permanent feature of our system. But with the economy in recession, we need these tax

cuts more urgently than ever. This year, we need a bipartisan coalition in the Congress that no one would dare to stop. With your wholehearted support -- with your fullest efforts to get this message to your community and to your members of Congress -- this year, we'll win.

I'm also asking Congress create a new 15 percent investment tax allowance, and to change the alternative minimum tax. This will encourage businesses to accelerate investment and bring people back to work.

Those are the short-term measures I've asked Congress to enact. For the longer term, I outlined eight proposals last week in my State of the Union Address. I'd like to highlight three of these for you:

We must continue open and expand international markets. I'm working in the GATT talks to conclude a revolutionary new global trade agreement -- to make the world trading system finally come to grips with the damaging tariffs and subsidies in agriculture. And I'm convinced that by tearing down economic barriers with Mexico and Canada, a new North American Free Trade Agreement will lift us to new heights of prosperity.

Education is crucial to our long-term economic and social well-being -- and we all know our schools aren't what they should be. Just as competition makes our businesses serve the public, we need competition to revolutionize our schools. By the year 2000, I want all American parents to have real financial freedom to choose where their children attend school.

The other long-term focus I want to mention concerns our families. We must ease the burden of child-rearing. The personal tax exemption has not kept up with inflation. In 1948 (?), the personal exemption was set at \$---. In 1992 dollars, that exemption would be worth \$---. But over the years, we've only increased the exemption to \$----. I'm asking Congress immediately to increase the exemption for each child by \$500. We can afford this, and it's a meaningful move in the right direction.

While you're lighting a fire under Congress to get them to meet my six-week deadline, I'll be busy carrying out some reforms that don't require congressional action. As announced in the State of the Union speech, I've imposed a 90-day freeze on federal regulations that could hinder economic growth. During that freeze period, all departments and agencies will conduct a crash review of all regulations, old and new -- to stop the ones that will hurt growth and speed up those that will help growth.

I know how much this concerns you. The schedule of events at this convention tells the story: One of your executive workshops is entitled: "The Regulators Are Back." You're beleaguered by environmental regulations, by food safety regulations, by workplace safety regulations. No one objects to the stated aims of these regulations: Health and safety and respect for the environment are classic, Mom-and-apple pie social values. But you know better than anyone that if regulation is

carried to unreasonable extremes, there won't be any apple pie for Mom to buy.

I'm here to assure you: The spirit of deregulation is back. Some regulation will always be necessary, but as long as I am President, we'll approach regulation from the understanding that free markets are a fundamental force for good.

After seventy years of tragic failure, the leaders in Moscow at last have come around to recognizing this truth about markets. After seven decades of trying to create a utopia through total government regulation of the economy, the Russians are now embracing freedom, opportunity and competition.

I find it a bitter irony that some of the powers that be on Capitol Hill still favor government coercion and control over freedom and competition. When I hear the shrill voices of those liberal subcommittee chairmen on Capitol Hill, I do a double take. I wonder what country I'm in, or what year this is.

Let me make you a promise: If Congress sends me any new legislation to make economic regulation more intrusive, more burdensome, more unreasonable, I'll send it back with my veto. [Specific bills might be cited here, for instance there is a Waxman FDA enforcement bill that already has been issued a veto threat.]

You can count on me to stop legislation that will set back growth. Meanwhile, I'm counting on you help get my pro-growth programs through Congress. We have less than six weeks to do the job.

Free markets work and command economies fail: That's the major lesson of our lifetime. That's the truth that your grandparents understood when they came to our shores to seek a better life. That's the truth that guides our crusade to restore vitality to America's families and neighborhoods and business enterprises. That is the basis on which future generations will carry America to new heights of greatness.

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Simon ✓

(Duggan/Simon)
January 29, 1992
Draft Three
Grocers

PRESIDENTIAL REMARKS: NATIONAL GROCERS ASSOCIATION
ORLANDO, FLORIDA
TUESDAY, FEBRUARY 4, 1992
[time]

~~[Acknowledgments, humor]~~ see insert

It's a pleasure to be with you. I'll always remember the warm reception the National Grocers Association gave me when I addressed your 1985 convention in New Orleans. You gave me a good education about your business then, and I remember it still.

Of course, our world has changed dramatically since 1985. We won the Cold War. We led a coalition in the Gulf to crush Saddam Hussein's aggression in Kuwait. We have created a world with the prospects of unprecedented prosperity and peace.

But we've also run into hard times. Our economy has slowed down, and we must get it fired up again. The professional pessimists tell us America has become weak and disabled -- that our economy has fallen and it can't get up.

Well, that's just plain bunk. We'll get up and running in no time -- and we'll do it the old-fashioned way: We'll use our common sense, our work ethic, our determination, and we'll carry the entire world into the Next American Century.

You don't have to be a rocket scientist to understand how. You just stick with the basics. I proposed a common-sense action plan last week in my State of the Union address. It gets investment going, because you can't build new businesses without

new investment. It strengthens the industries that historically have led us into recoveries -- especially real-estate. It hacks away obstacles to growth -- regulations, high taxes, nuisance lawsuits. It cuts the federal deficit by cutting spending. And it builds on our strengths. It lets American workers and businesses show the world what they can do.

All over this country, families, businesses and even local governments have grasped a simple fact: The world has changed. The old ways won't do. If we want to remain the world's economic dynamo, we've got to get leaner and tougher. We've got to change with the times, and abandon old ways from the old days.

More to the point, we've got to get Washington moving toward the 21st Century. To do that, I need your help. I've asked Congress to enact some laws that will get our economy moving and growing again -- and I've given Congress a deadline: March 20. Circle that Friday on your calendar. I have. Call it J-Day: The day by which Congress should have taken a few simple steps to create good American jobs -- now.

Here's what I want by J-Day: First, incentives to invest: an amended alternative minimum tax and a 15-percent investment tax allowance.

Second, incentives to build and buy real-estate: A change in passive-loss rules for active real-estate investors; penalty-free withdrawals from IRAs for first-time homebuyers, and a \$5,000 tax credit for the first purchase of that first home.

Third, incentives to succeed: Cut the capital gains tax.

This tax hurts anyone who has made a sensible investment -- in a home, a business, a farm, even a pension plan. None of our key economic competitors taxes gains at high rates -- Japan's effective rate comes to about 1 percent; Germany doesn't tax long-term capital gains at all. The world's fastest growing economies let people collect their capital gains tax-free. Let's stop penalizing excellence. Cut the capital gains tax -- now.

Three measures, three pieces of common sense; three things Congress should do by March 20. I'm counting on your help.

In the meantime, I've initiated some reforms that will get the economy moving -- without having to wait for Congress to act. Here's one you'll like: I've imposed a 90-day freeze on federal regulations that could hinder economic growth. During that period, all departments and agencies will review regulations, old and new -- to stop the ones that will hurt growth and speed up those that will help growth.

I see from your convention schedule that you have a workshop entitled: "The Regulators Are Back." No wonder: You can't get through a day without having to worry about workplace safety regulations, food safety regulations, environmental regulations. No one objects to the stated aims of these regulations: Health and safety and respect for the environment are classic, Mom-and-apple pie social values. But you know better than anyone that when regulators carry regulation too far, there won't be any apple pie for Mom to buy.

I ran a council on deregulation for eight years, as vice president. And I'm here to assure you: The spirit of deregulation is back. I want you to be able to spend your time worrying about what you can do for your customers -- rather than fretting about what some regulator might do to you.

The greatest lesson of this century is: Government micromanagement doesn't work. After seventy years of tragic failure, the leaders in Moscow finally recognize that total government regulation produces only one thing: total failure. Now, Russians want to try something different -- like grocery stores with groceries on the shelves.

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