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Knoxville Community 2/19/92 [OA 6097][1]

Stack:	Row:	Section:	Shelf:	Position:
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THE WHITE HOUSE
WASHINGTON

February 18, 1992

MEMORANDUM FOR THE PRESIDENT
THROUGH: DAVID DEMAREST *AD*
FROM: ANDY FERGUSON *AF*
SUBJECT: REMARKS TO KNOXVILLE COMM

I. SUMMARY

Tomorrow, February 19, at 11:45
1,000 business and community leaders
about the role of research and techn
growth.

II. DISCUSSION

The remarks (15 minutes, on teleprompter) come after a
tour of Oak Ridge National Laboratory, where you will
witness a public-private research agreement to be signed by
Secretary Watkins.

Note that the basic shape of these remarks will remain
the same, but we have not yet incorporated comments from
OMB, Cabinet Affairs, and Policy Development.

ONLY 2

to incorporate -

• Browley +

• CAB AFFS.

~~DARMAN~~??

(Ferguson/Gershowitz)
February 18, 1992
Draft Three
OAKRIDGE

PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

(Acknowledgments. Tennessee is a state with special significance for me -- after all, it's the volunteer state. During Operation Desert Storm you proved it all over again. Let me take this opportunity to thank the 6,700 Tennessee reservists and National Guard who were called up for Desert Storm and who served this state, served this country with distinction.)

It's a pleasure to be in Knoxville, for what you have done here is a model for the nation. Knoxville combines in one place the enthusiasm of cutting-edge research, the resources of government and the energy of private enterprise. You are pointing our country toward the next American century.

We stand today at a pivot point in history -- at the end of one era and the beginning of another. As imperial communism died, and as the clouds of the Cold War part, America stands alone, the undisputed leader of the world.

The old era demanded great sacrifices; our country met them -- each and every one of them. But the new era opens up to us limitless possibilities, fresh challenges of the kind that have always brought out the best in America.

For the short term, of course, our challenge is to fire up the economy. I've put together a two-part plan, starting with a

short-term package -- seven common sense steps to spur investment and create jobs. With inflation down and interest rates lower than they've been in 20 years, our plan offers incentives to business to buy equipment, upgrade their plants and start hiring again. It offers a real boost to the housing market -- often at the forefront of economic recovery -- with a \$5,000 tax credit for first-time homebuyers.

I've asked Congress to pass my plan by March 20. [You may have heard about other tax plans floated on Capitol Hill. The House Democrats are offering 25 cents-a-day in middle-income tax relief in exchange for cuts in Medicare, student loans, farm payments and a permanent tax on upper-income Americans. Their plan will deepen the deficit by \$30 billion and cost jobs as well. That's a lose-lose proposition if ever there was one.]

Here in Knoxville, let me ask them again: Help your country. No more games. Pass our plan and get this economy moving again.

Then we must look forward, beyond the short-term into the next century. Believe it or not, looking forward has become a more radical notion than it sounds. From some quarters, we hear the dim voice of defeatism, that tin trumpet sounding retreat. We're told that our future lies in turning away from the world, pulling down the shades and hoping the rest of the world just goes away.

Don't be fooled by the tough talk and patriotic bluster: protectionism comes from fear -- fear that American workers can't

compete -- fear that American ingenuity is spent -- fear that we must turn away from the world because we can no longer lead the world. That's not the future I see for the United States of America.

The America of the future must embrace challenges, not cut and run. It must push back the frontiers of knowledge and technology, and use our great strengths of individual initiative and determination. If we do, the America of the future will compete, and it will win.

This century has taught us many lessons. But above them all hangs an overarching truth: If America is to succeed economically at home, we must lead abroad. Our leadership ensures markets for American products and jobs for American workers; it gives us room to spread our wings and show the world what we can do. Let us never forget: Our national symbol is the eagle, not the ostrich.

Each generation of Americans makes an implicit compact with the generations that follow: We pledge that their opportunities will be greater than ours. Our generation will make good on that pledge -- but only if we continue to lead the world.

So for the last three years my administration has been laying the foundation for America's continued leadership in the world. We have approached this pivot point in history -- this moment of unparalleled opportunity -- with a positive strategy to build on the enduring strengths of the American people: our

Engine of Economic Growth. That is the mission. That is the challenge of the '90s.

But it will take the right kind of investments -- the kind we've been making for three years. These have been tough decisions. This year, I've asked for a freeze on discretionary domestic spending -- which means that any increases have to be the result of hard thinking about priorities. We've done the hard thinking. And we've made a fundamental decision. Our future economic competitiveness demands that we invest today in one of our greatest strengths: research and development. I've asked for a record investment in R&D: \$76 billion next year alone.

Let me give you just a few examples of what this means.

This year we're investing \$803 million to assist private enterprise in the development of a high-performance computing system 1000 times more powerful than today's computer. Such a system will forecast droughts and hurricanes, design better aircraft, and unlock the riddle of the genome.

We're investing more than \$1 billion for research in energy technologies to improve energy efficiency -- nuclear fusion, clean coal technologies and alternatives to petroleum.

We're investing almost \$1.5 billion in transportation R&D. To relieve our overburdened highways and airports, we're stimulating research in new transportation technologies such as intelligent vehicle highway systems and high-speed rail.

We're increasing investment in biotechnology research -- for a total of more than \$4 billion -- so that we continue to lead the world in conquering disease and relieving world hunger. This research can pay dividends undreamed of just a few years ago. One recent development: microorganisms that emit light signals when they encounter pollution in the environment.

And there's much more: substantial increases for the superconducting supercollider, agricultural research, and the development of advanced materials. We will double the budget for the National Science Foundation -- home to some of our most fantastic scientific and technological advances.

And for a generation, when Americans have looked to the future they have looked to the stars. We're intensifying our efforts to explore the Moon and the planets -- a quest that not only lifts our spirits but brings tangible benefits in new technology and economic growth.

These incredible technologies can't just sit in the science books -- they need to work for America. So we're moving them out of the laboratory and into the marketplace. We've been busy sweeping away the obstacles that inhibit the transfer of technology from the government to private enterprise. Just over a year ago, I signed a bill that allows private industries to take competitive advantage of government research.

So far, 650 such public-private agreements have been reached. In fact, I just witnessed another one out at Oak Ridge this morning. Coors Structural Ceramics Company and Oak Ridge

will be perfecting a new ceramic material that's tougher than steel, perfect for making cutting tools. In fact, the cutting-tool company Hertel has decided to locate one of its manufacturing sites in Oak Ridge, to be near the scientists and facilities there. Hertel joins 23 other companies that have moved to your area for the same reason. That's the bottom-line of these agreements: jobs for Knoxville, jobs for America.

We're getting the message out. Our National Technology Initiative brings government officials together with private businesses to let them know what government can offer in new technology.

But make no mistake: government has no business setting an industrial policy, picking winners and losers and protecting favored industries from market forces. The lightening pace of today's economy is too quick, too vital for the deadening hand of the bureaucrat. We will continue to lead only if we give the marketplace full play. A competitive market cuts fat, encourages efficiency and rewards innovation.

That's why for three years we've tried to encourage private venture capital. America taxes capital gains at a rate higher than any of our world competitors, yet the same pessimists who complain we can't compete still stand in the way of lower capital gains taxes. Let's put an end to that self-defeating nonsense. Congress must lower the capital gains tax to create jobs -- and the time to lower it is now.

Finally, we've asked Congress to make the R&E tax credit a permanent part of the tax code. For private companies, this credit reduces the cost of research and development by as much as 20 percent. American businesses must be able to plan for the future knowing those savings are secure.

Each one of these measures has world-shaping implications. There is a strategy for a competitive, vigorous America, and it springs from a vision of what our future should be. The great blessing of our country is that we Americans have the power to create our own future. We have that extraordinary opportunity once again: to guarantee that when our children attend school, they receive the best education in the world -- and that when they leave school, they enter a growing economy with good jobs of their choosing. Let us never forget: The future we plan for today belongs to them.

I am fortunate to be President at an exciting time in our history. The world still looks to this great country -- we have so much to be grateful for, and I am proud to serve as your President.

God bless you, and God bless the United States of America.

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WI **RANDOM**



Following comments
have been reviewed
rejected or taken:

Demarest }
- Porter }
* Moore }
Petersmeyer }
Findlay }
Smith }
* Gray }
Calio }
Rollins }
Rogich }
Scow }

DATE: 2/18/92

DUE BY: 2:00 TODAY

SUBJECT: PRESIDENT

RIUM-COLISEUM

			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
HORNER	<input type="checkbox"/>	<input type="checkbox"/>		
MCBRIDE	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 2:00 TODAY, Tuesday, February 18, with a copy to this office. Thank you.

RESPONSE:

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

(Ferguson/Gershowitz)
February 18, 1992
Draft Two
OAKRIDGE

92 FEB 18 AM : 09

PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

(Acknowledgments, humor, Tennessee color.)

It's a pleasure to be in Knoxville, for what you have done here is a model for the nation. Knoxville combines in one place the resources of government, the enthusiasm of cutting-edge research and the energy and inventiveness of private enterprise. You are pointing our country toward the next American century.

We stand today at a pivot point in history -- at the end of one era and the beginning of another. In the last year imperial communism died, and as the clouds of the Cold War part, America stands alone, the undisputed leader of the world.

The old era demanded great sacrifices; our country met them proudly. But the new era opens up to us limitless possibilities, fresh challenges of the kind that have always brought out the best in America.

For the short term, of course, our challenge is to fire up the economy. I've put together a short-term plan -- seven common sense steps -- to spur investment and create jobs. With inflation down and interest rates at historic lows, my short-term plan offers the stimulus our economy needs and lays the groundwork for a strong recovery.

I've asked Congress to pass my plan by March 20. And here in Knoxville, let me ask them again: Help your country. America can no longer wait. [Placeholder for tax insert.] Pass my plan and get this economy moving again.

With my plan in place, we must look forward, beyond the short-term into the next century. Believe it or not, looking forward has become a more radical notion than it sounds. Even now, in this moment of great triumph for America, we hear from some quarters the dim voice of defeatism, a tinny trumpet sounding retreat. We're told that our future lies in turning away from the world, in isolating our country behind some wall of protection to re-create a simpler, less challenging past.

Don't be fooled by the tough talk and patriotic bluster: protectionism comes from fear -- fear that American workers can't compete -- fear that American ingenuity is spent -- fear that we must turn away from the world because we can no longer lead the world. That's not the future I see for the United States of America.

The America of the future will pull down barriers, not build them up. It will embrace challenges, not cut and run. It will push back the frontiers of knowledge and technology, not pine for an irretrievable past. And because of this, when the America of the future competes, it will win.

This century has taught us many lessons. But above them all hangs an overarching truth: If America is to succeed economically at home, we must lead abroad. Our leadership

ensures markets for American products and jobs for American workers; it gives us room to spread our wings and show the world what we can do. Let us never forget: Our national symbol is the eagle, not the ostrich.

Each generation of Americans makes an implicit compact with the generations that follow: We pledge to our children and grandchildren that their lives will be better than ours -- that their standard of living will be higher, that their opportunities will be greater. Our generation will make good on its pledge only if we continue to lead the world, and as president I hold this promise as a solemn vow.

So for the last three years my administration has been laying the foundation for America's continued leadership in the world. We have approached this pivot point in history -- this moment of unparalleled opportunity -- with a positive strategy to build on the enduring strengths of the American people: our capacity for hard work, our cutting-edge technology, our willingness to take risks.

To continue as the world's economic leader we must excel in two vital areas: education and technology. That's where our future lies. Our strategy targets both.

American science is the best in the world. We've got to make sure that the same is true of American science education. Tomorrow's marketplace will demand workers highly-skilled in math and science. Tennesseans know the importance of that, and I

thank you for lending me your former governor, Lamar Alexander, to help get the message to the rest of the country.

Joining with the nation's governors, Secretary Alexander and I set a series of education goals, and one of the most important was this: By the year 2000, America's students will be first in math and science. Yes, it's an ambitious goal. That's why we've set it.

The budget I've recently submitted to Congress calls for more than \$2 billion in math and science education programs -- an 18 percent increase this year for programs at the pre-college level. To better train teachers, we plan to double the number of math and science instructors receiving federally-assisted in-depth instruction in their field. That means that this year, almost half the nation's precollege math and science teachers will receive some federally-funded training.

In the old era now ending, many of America's best scientists were engaged in winning the cold war. The new era will free up those priceless talents to concentrate on the technologies of tomorrow -- improving productivity and guaranteeing our longterm prosperity. We will transform the Arsenal of Democracy into the Engine of Economic Growth.

But it will take the right kind of investments -- the kind we've been making for three years. These have been tough decisions. This year, I've asked for a freeze on discretionary domestic spending -- which means that any increases have to be the result of hard thinking about priorities. We've done the

hard thinking. And we've made a fundamental decision. Our future economic competitiveness demands that we invest today in our strengths: research and development. I've asked for a record investment in R&D: \$76 billion this year alone.

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the National Science Foundation -- home to some of our most fantastic technological advances.

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Our challenge will be to put these incredible technologies to work for America, to move them out of the laboratory and into the marketplace. We've been busy sweeping away the obstacles that inhibit the transfer of technology from the government to private enterprise. Just over a year ago, I signed a bill that allows private industries to take competitive advantage of government research.

So far, 650 such public-private agreements have been reached. In fact, I just witnessed another one out at Oak Ridge this morning. Coors Structural Ceramics Company and Oak Ridge will be perfecting a new ceramic material that's tougher than steel, perfect for making cutting tools. This kind of agreement means jobs: the cutting-tool company Hertel has decided to locate one of its manufacturing sites in Oak Ridge, to be near the scientists and facilities there.

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But make no mistake: government has no business setting an industrial policy, picking winners and losers and protecting favored industries from market forces. The lightening pace of today's economy is too quick, too vital for the deadening hand of the bureaucrat. We will continue to lead only if we give the marketplace full play. A competitive market cuts fat, encourages efficiency and rewards innovation.

That's why for three years we've tried to encourage private venture capital. America taxes capital gains at a rate higher than any of our world competitors, yet the same pessimists who complain we can't compete have stood in the way of lower capital gains taxes. Let's put an end to that self-defeating nonsense. Congress must lower the capital gains tax to create jobs. The time to lower is now.

Finally, we've asked Congress to make the R&E tax credit a permanent part of the tax code. For private companies, this credit reduces the cost of research and development by as much as 20 percent. American businesses must be able to plan for the future knowing those savings are secure.

Each of these measures I've spoken of this afternoon springs from a vision of what our future should be. The great blessing of our country has always been that we Americans create our own future. This is no less true today than it was in the 19th century, when a vast frontier opened up before us and the Industrial Revolution promised unprecedented prosperity.

In this century, with confidence in themselves and faith in their talents, Americans made good on the dreams of their grandparents. Our grandchildren and their children will do the same for us, if we hold to the same confidence and faith, if we face the future unafraid, if today we bravely lay the foundation for the world they will enjoy tomorrow.

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KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

THANK YOU, SENATOR BAKER FOR THAT KIND
INTRODUCTION. MY GREETINGS TO MAYOR ASHE AND THE OTHER
KNOXVILLE COMMUNITY LEADERS HERE TODAY. I'D LIKE TO
SALUTE MY TWO CABINET MEMBERS HERE WITH ME: SECRETARY
OF ENERGY JIM WATKINS AND EDUCATION SECRETARY LAMAR
ALEXANDER.

((YOU MAY KNOW THAT LAMAR, AS PART OF HIS MISSION
TO PROMOTE LIFELONG LEARNING, CONVINCED ME TO LEARN HOW
TO USE A COMPUTER. IT'S REALLY PAID OFF. NOW I CAN
MAKE TYPOGRAPHICAL ERRORS TWICE AS FAST.))


AND I WANT TO PAY MY RESPECTS TO CONGRESSMEN JIMMY
DUNCAN, JIMMY QUILLEN, AND DON SUNDQUIST.

Howard
Baker
intro → Leadership
Strength
integrity
politics / perseverance / destiny
betterment of this nation

50/50


band?

TENNESSEE IS A STATE WITH SPECIAL SIGNIFICANCE FOR ME. AFTER ALL, IT'S THE VOLUNTEER STATE. AND DURING OPERATION DESERT STORM YOU PROVED IT ALL OVER AGAIN. LET ME TAKE THIS OPPORTUNITY TO THANK THE 6,700 TENNESSEE RESERVISTS AND NATIONAL GUARD WHO WERE CALLED UP FOR DESERT STORM AND WHO SERVED THIS STATE, SERVED THIS COUNTRY WITH DISTINCTION.




IT'S A PLEASURE TO BE IN KNOXVILLE, FOR WHAT YOU HAVE DONE HERE IS A MODEL FOR THE NATION. KNOXVILLE COMBINES IN ONE PLACE THE ENTHUSIASM OF CUTTING-EDGE RESEARCH, THE RESOURCES OF GOVERNMENT AND THE ENERGY OF PRIVATE ENTERPRISE. YOU ARE POINTING OUR COUNTRY TOWARD THE NEXT AMERICAN CENTURY.

WE STAND TODAY AT A PIVOT POINT IN HISTORY -- AT THE END OF ONE ERA AND THE BEGINNING OF ANOTHER. AS IMPERIAL COMMUNISM DIED, AND AS THE CLOUDS OF THE COLD WAR PART, AMERICA STANDS ALONE, THE UNDISPUTED LEADER OF THE WORLD.




THE OLD ERA DEMANDED GREAT SACRIFICES OF OUR COUNTRY; WE MET THEM -- EACH AND EVERY ONE OF THEM. BUT THE NEW ERA OPENS UP TO US LIMITLESS POSSIBILITIES, FRESH CHALLENGES OF THE KIND THAT HAVE ALWAYS BROUGHT OUT THE BEST IN AMERICA.

FOR THE SHORT TERM, OF COURSE, OUR CHALLENGE IS TO FIRE UP THE ECONOMY. I'VE PUT TOGETHER A TWO-PART PLAN, STARTING WITH A SHORT-TERM PACKAGE -- SEVEN COMMON SENSE STEPS TO SPUR INVESTMENT AND CREATE JOBS. WITH INFLATION DOWN AND INTEREST RATES LOWER THAN THEY'VE BEEN IN 20 YEARS, OUR PLAN OFFERS INCENTIVES TO BUSINESS TO BUY EQUIPMENT, UPGRADE THEIR PLANTS AND START HIRING AGAIN. IT OFFERS A REAL BOOST TO THE HOUSING MARKET -- OFTEN AT THE FOREFRONT OF ECONOMIC RECOVERY -- WITH A \$5,000 TAX CREDIT FOR FIRST-TIME HOMEBUYERS.



I'VE ASKED CONGRESS TO PASS MY PLAN BY MARCH 20. YOU MAY HAVE HEARD ABOUT OTHER TAX PLANS FLOATED ON CAPITOL HILL. THE HOUSE DEMOCRATS ARE OFFERING 25 CENTS-A-DAY IN MIDDLE-INCOME TAX RELIEF IN EXCHANGE FOR CUTS IN MEDICARE, STUDENT LOANS, FARM PAYMENTS AND -- TRUE TO FORM -- A LARGE, PERMANENT TAX INCREASE. THEIR PLAN WILL DEEPEN THE DEFICIT BY \$30 BILLION AND COST JOBS AS WELL. THAT'S A LOSE-LOSE PROPOSITION IF EVER THERE WAS ONE. HERE IN KNOXVILLE, LET ME AGAIN REMIND THE CONGRESS: WE'RE A MONTH AND A DAY AWAY FROM THE DEADLINE. HELP YOUR COUNTRY. NO MORE GAMES. PASS OUR PLAN AND GET THIS ECONOMY MOVING AGAIN.



THEN WE MUST LOOK FORWARD, BEYOND THE SHORT-TERM INTO THE NEXT CENTURY. BELIEVE IT OR NOT, LOOKING FORWARD HAS BECOME A MORE RADICAL NOTION THAN IT SOUNDS. FROM SOME QUARTERS, WE HEAR THE DIM VOICE OF DEFEATISM, THAT TIN TRUMPET SOUNDING RETREAT. WE'RE TOLD THAT OUR FUTURE LIES IN TURNING AWAY FROM THE WORLD, PULLING DOWN THE SHADES AND HOPING THE REST OF THE WORLD JUST GOES AWAY.

DON'T BE FOOLED BY THE TOUGH TALK AND PATRIOTIC
BLUSTER: PROTECTIONISM COMES FROM FEAR -- FEAR THAT
AMERICAN WORKERS CAN'T COMPETE -- FEAR THAT AMERICAN
INGENUITY IS SPENT -- FEAR THAT WE MUST TURN AWAY FROM
THE WORLD BECAUSE WE CAN NO LONGER LEAD THE WORLD.
THAT'S NOT THE FUTURE I SEE FOR THE UNITED STATES OF
AMERICA.

THE AMERICA OF THE FUTURE MUST EMBRACE CHALLENGES,
NOT CUT AND RUN. IT MUST PUSH BACK THE FRONTIERS OF
KNOWLEDGE AND TECHNOLOGY, AND USE OUR GREAT STRENGTHS
OF INDIVIDUAL INITIATIVE AND DETERMINATION. IF WE DO,
THE AMERICA OF THE FUTURE WILL COMPETE, AND IT WILL
WIN.



THIS CENTURY HAS TAUGHT US MANY LESSONS. BUT ABOVE THEM ALL STANDS AN OVERARCHING TRUTH: IF AMERICA IS TO SUCCEED ECONOMICALLY AT HOME, WE MUST LEAD ABROAD. OUR LEADERSHIP ENSURES MARKETS FOR AMERICAN PRODUCTS AND JOBS FOR AMERICAN WORKERS; IT GIVES US ROOM TO SPREAD OUR WINGS AND SHOW THE WORLD WHAT WE CAN DO. LET US NEVER FORGET: OUR NATIONAL SYMBOL IS THE EAGLE, NOT THE OSTRICH.

EACH GENERATION OF AMERICANS MAKES AN IMPLICIT COMPACT WITH THE GENERATIONS THAT FOLLOW: WE PLEDGE THAT THEIR OPPORTUNITIES WILL BE GREATER THAN OURS. OUR GENERATION WILL MAKE GOOD ON THAT PLEDGE -- BUT ONLY IF WE CONTINUE TO LEAD THE WORLD.

SO FOR THE LAST THREE YEARS MY ADMINISTRATION HAS BEEN LAYING THE FOUNDATION FOR AMERICA'S CONTINUED LEADERSHIP, ~~IN THE WORLD.~~ WE HAVE APPROACHED THIS PIVOT POINT IN HISTORY -- THIS MOMENT OF UNPARALLELED OPPORTUNITY -- WITH A POSITIVE STRATEGY TO BUILD ON THE ENDURING STRENGTHS OF THE AMERICAN PEOPLE: OUR CAPACITY FOR HARD WORK, OUR CUTTING-EDGE TECHNOLOGY, OUR WILLINGNESS TO TAKE RISKS.

TO CONTINUE AS THE WORLD'S ECONOMIC LEADER WE MUST EXCEL IN TWO VITAL AREAS: EDUCATION AND TECHNOLOGY. THAT'S WHERE OUR FUTURE LIES. OUR STRATEGY MUST TARGET BOTH -- AND IT DOES.

AMERICAN SCIENCE IS THE BEST IN THE WORLD. WE'VE GOT TO MAKE SURE THAT THE SAME IS TRUE OF AMERICAN SCIENCE EDUCATION. TOMORROW'S MARKETPLACE WILL DEMAND WORKERS HIGHLY-SKILLED IN MATH AND SCIENCE. TENNESSEANS KNOW THE IMPORTANCE OF THAT, AND I THANK YOU FOR LENDING ME YOUR FORMER GOVERNOR AND U.T. PRESIDENT, LAMAR ALEXANDER. THROUGH OUR AMERICA 2000 EDUCATION STRATEGY, WE'RE GETTING THE ^{EDUCATION} MESSAGE TO THE REST OF THE COUNTRY.

WORKING WITH THE NATION'S GOVERNORS, SECRETARY *Byrd* *Alexander* *and* *I* SET SIX AMBITIOUS EDUCATION GOALS, AND ALEXANDER AND I SET SIX AMBITIOUS EDUCATION GOALS, AND ONE OF THE MOST IMPORTANT WAS THIS: BY THE YEAR 2000, AMERICA'S STUDENTS WILL BE FIRST IN THE WORLD IN MATH AND SCIENCE.

THE BUDGET I'VE RECENTLY SUBMITTED TO CONGRESS CALLS FOR MORE THAN \$2 BILLION IN MATH AND SCIENCE EDUCATION PROGRAMS. THAT'S MORE THAN A 120 PERCENT INCREASE OVER THE PAST THREE YEARS FOR PROGRAMS AT THE PRE-COLLEGE LEVEL. JUST TWO YEARS AGO, WHEN I WAS LAST IN KNOXVILLE, I MENTIONED THAT OUR ENERGY SECRETARY, JIM WATKINS, HAD JOINED UP WITH U.T. AND OAK RIDGE TO START A NEW MATH AND SCIENCE ACADEMY FOR AMERICA'S TEACHERS.

ONCE AGAIN, TENNESSEE SET THE PACE FOR THE COUNTRY. TO BETTER TRAIN TEACHERS, WE PLAN TO DOUBLE THE NUMBER OF MATH AND SCIENCE INSTRUCTORS RECEIVING FEDERALLY-ASSISTED IN-DEPTH INSTRUCTION IN THEIR FIELD. THIS YEAR, ALMOST HALF THE NATION'S PRECOLLEGE MATH AND SCIENCE TEACHERS WILL RECEIVE SOME FEDERALLY-FUNDED TRAINING.

IN THE OLD ERA NOW ENDING, MANY OF OUR BEST SCIENTISTS HELPED AMERICA WIN THE COLD WAR. THE NEW ERA WILL FREE UP THOSE PRICELESS TALENTS TO TRANSFORM THE ARSENAL OF DEMOCRACY INTO THE ENGINE OF ECONOMIC GROWTH. THAT IS THE MISSION. THAT IS THE CHALLENGE OF THE '90S.

BUT IT WILL TAKE THE RIGHT KIND OF INVESTMENTS -- THE KIND WE'VE BEEN MAKING FOR THREE YEARS. THESE HAVE BEEN TOUGH DECISIONS. THIS YEAR, I'VE ASKED FOR A FREEZE ON DISCRETIONARY DOMESTIC SPENDING -- WHICH MEANS THAT ANY INCREASES HAVE TO BE THE RESULT OF HARD THINKING ABOUT PRIORITIES. WE'VE DONE THE HARD THINKING. AND WE'VE MADE A FUNDAMENTAL DECISION. OUR FUTURE ECONOMIC COMPETITIVENESS DEMANDS THAT WE INVEST TODAY IN ONE OF OUR GREATEST STRENGTHS: RESEARCH AND DEVELOPMENT. I'VE ASKED FOR A RECORD INVESTMENT IN R&D: \$76 BILLION NEXT YEAR ALONE.

LET ME GIVE YOU JUST A FEW EXAMPLES OF WHAT THIS MEANS.

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THESE INCREDIBLE TECHNOLOGIES CAN'T JUST SIT IN THE SCIENCE BOOKS -- THEY NEED TO WORK FOR AMERICA. SO WE'RE MOVING THEM OUT OF THE LABORATORY AND INTO THE MARKETPLACE. WE'VE BEEN BUSY SWEEPING AWAY THE OBSTACLES THAT BLOCK THE TRANSFER OF TECHNOLOGY FROM THE GOVERNMENT TO PRIVATE ENTERPRISE. JUST OVER TWO YEARS AGO, I SIGNED A BILL THAT ALLOWS PRIVATE INDUSTRY TO TAKE COMPETITIVE ADVANTAGE OF GOVERNMENT RESEARCH.

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EACH ONE OF THESE MEASURES HAS WORLD-SHAPING IMPLICATIONS. THERE IS A STRATEGY FOR A COMPETITIVE, VIGOROUS AMERICA, AND IT SPRINGS FROM A VISION OF WHAT OUR FUTURE SHOULD BE. THE GREAT BLESSING OF OUR COUNTRY IS THAT WE AMERICANS HAVE THE POWER TO CREATE OUR OWN FUTURE. WE HAVE THAT EXTRAORDINARY OPPORTUNITY ONCE AGAIN: TO GUARANTEE THAT WHEN OUR CHILDREN ATTEND SCHOOL, THEY RECEIVE THE BEST EDUCATION IN THE WORLD -- AND THAT WHEN THEY LEAVE SCHOOL, THEY ENTER A GROWING ECONOMY WITH GOOD JOBS OF THEIR CHOOSING. LET US NEVER FORGET: THE FUTURE WE PLAN FOR TODAY BELONGS TO THEM.

I AM FORTUNATE TO BE PRESIDENT AT AN EXCITING TIME
IN OUR HISTORY. THE WORLD STILL LOOKS TO THIS GREAT
COUNTRY FOR LEADERSHIP. WE HAVE SO MUCH TO BE GRATEFUL
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GOD BLESS YOU, AND GOD BLESS THE UNITED STATES OF
AMERICA.

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10

KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

THANK YOU, SENATOR BAKER FOR THAT KIND
INTRODUCTION. MY GREETINGS TO MAYOR ASHE AND THE OTHER
KNOXVILLE COMMUNITY LEADERS HERE TODAY. I'D LIKE TO
SALUTE MY TWO CABINET MEMBERS HERE WITH ME: SECRETARY
OF ENERGY JIM WATKINS AND EDUCATION SECRETARY LAMAR
ALEXANDER.

hand?


((YOU MAY KNOW THAT LAMAR, AS PART OF HIS MISSION
TO PROMOTE LIFELONG LEARNING, CONVINCED ME TO LEARN HOW
TO USE A COMPUTER. IT'S REALLY PAID OFF. NOW I CAN
MAKE TYPOGRAPHICAL ERRORS TWICE AS FAST.))

30/50

AND I WANT TO PAY MY RESPECTS TO CONGRESSMEN JIMMY
DUNCAN, JIMMY QUILLEN, AND DON SUNDQUIST.


Howard Baker intro → Leadership
strength
integrity / perseverance / destiny
future of this nation

TENNESSEE IS A STATE WITH SPECIAL SIGNIFICANCE FOR ME. AFTER ALL, IT'S THE VOLUNTEER STATE. AND DURING OPERATION DESERT STORM YOU PROVED IT ALL OVER AGAIN. LET ME TAKE THIS OPPORTUNITY TO THANK THE 6,700 TENNESSEE RESERVISTS AND NATIONAL GUARD WHO WERE CALLED UP FOR DESERT STORM AND WHO SERVED THIS STATE, SERVED THIS COUNTRY WITH DISTINCTION.




IT'S A PLEASURE TO BE IN KNOXVILLE, FOR WHAT YOU HAVE DONE HERE IS A MODEL FOR THE NATION. KNOXVILLE COMBINES IN ONE PLACE THE ENTHUSIASM OF CUTTING-EDGE RESEARCH, THE RESOURCES OF GOVERNMENT AND THE ENERGY OF PRIVATE ENTERPRISE. YOU ARE POINTING OUR COUNTRY TOWARD THE NEXT AMERICAN CENTURY.

WE STAND TODAY AT A PIVOT POINT IN HISTORY -- AT THE END OF ONE ERA AND THE BEGINNING OF ANOTHER. AS IMPERIAL COMMUNISM DIED, AND AS THE CLOUDS OF THE COLD WAR PART, AMERICA STANDS ALONE, THE UNDISPUTED LEADER OF THE WORLD.




THE OLD ERA DEMANDED GREAT SACRIFICES OF OUR COUNTRY; WE MET THEM -- EACH AND EVERY ONE OF THEM. BUT THE NEW ERA OPENS UP TO US LIMITLESS POSSIBILITIES, FRESH CHALLENGES OF THE KIND THAT HAVE ALWAYS BROUGHT OUT THE BEST IN AMERICA.

FOR THE SHORT TERM, OF COURSE, OUR CHALLENGE IS TO FIRE UP THE ECONOMY. I'VE PUT TOGETHER A TWO-PART PLAN, STARTING WITH A SHORT-TERM PACKAGE -- SEVEN COMMON SENSE STEPS TO SPUR INVESTMENT AND CREATE JOBS. WITH INFLATION DOWN AND INTEREST RATES LOWER THAN THEY'VE BEEN IN 20 YEARS, OUR PLAN OFFERS INCENTIVES TO BUSINESS TO BUY EQUIPMENT, UPGRADE THEIR PLANTS AND START HIRING AGAIN. IT OFFERS A REAL BOOST TO THE HOUSING MARKET -- OFTEN AT THE FOREFRONT OF ECONOMIC RECOVERY -- WITH A \$5,000 TAX CREDIT FOR FIRST-TIME HOMEBUYERS.



I'VE ASKED CONGRESS TO PASS MY PLAN BY MARCH 20. YOU MAY HAVE HEARD ABOUT OTHER TAX PLANS FLOATED ON CAPITOL HILL. THE HOUSE DEMOCRATS ARE OFFERING 25 CENTS-A-DAY IN MIDDLE-INCOME TAX RELIEF IN EXCHANGE FOR CUTS IN MEDICARE, STUDENT LOANS, FARM PAYMENTS AND -- TRUE TO FORM -- A LARGE, PERMANENT TAX INCREASE. THEIR PLAN WILL DEEPEN THE DEFICIT BY \$30 BILLION AND COST JOBS AS WELL. THAT'S A LOSE-LOSE PROPOSITION IF EVER THERE WAS ONE. HERE IN KNOXVILLE, LET ME AGAIN REMIND THE CONGRESS: WE'RE A MONTH AND A DAY AWAY FROM THE DEADLINE. HELP YOUR COUNTRY. NO MORE GAMES. PASS OUR PLAN AND GET THIS ECONOMY MOVING AGAIN.



THEN WE MUST LOOK FORWARD, BEYOND THE SHORT-TERM INTO THE NEXT CENTURY. BELIEVE IT OR NOT, LOOKING FORWARD HAS BECOME A MORE RADICAL NOTION THAN IT SOUNDS. FROM SOME QUARTERS, WE HEAR THE DIM VOICE OF DEFEATISM, THAT TIN TRUMPET SOUNDING RETREAT. WE'RE TOLD THAT OUR FUTURE LIES IN TURNING AWAY FROM THE WORLD, PULLING DOWN THE SHADES AND HOPING THE REST OF THE WORLD JUST GOES AWAY.

DON'T BE FOOLED BY THE TOUGH TALK AND PATRIOTIC
BLUSTER: PROTECTIONISM COMES FROM FEAR -- FEAR THAT
AMERICAN WORKERS CAN'T COMPETE -- FEAR THAT AMERICAN
INGENUITY IS SPENT -- FEAR THAT WE MUST TURN AWAY FROM
THE WORLD BECAUSE WE CAN NO LONGER LEAD THE WORLD.
THAT'S NOT THE FUTURE I SEE FOR THE UNITED STATES OF
AMERICA.

THE AMERICA OF THE FUTURE MUST EMBRACE CHALLENGES,
NOT CUT AND RUN. IT MUST PUSH BACK THE FRONTIERS OF
KNOWLEDGE AND TECHNOLOGY, AND USE OUR GREAT STRENGTHS
OF INDIVIDUAL INITIATIVE AND DETERMINATION. IF WE DO,
THE AMERICA OF THE FUTURE WILL COMPETE, AND IT WILL
WIN.



THIS CENTURY HAS TAUGHT US MANY LESSONS. BUT ABOVE THEM ALL STANDS AN OVERARCHING TRUTH: IF AMERICA IS TO SUCCEED ECONOMICALLY AT HOME, WE MUST LEAD ABROAD. OUR LEADERSHIP ENSURES MARKETS FOR AMERICAN PRODUCTS AND JOBS FOR AMERICAN WORKERS; IT GIVES US ROOM TO SPREAD OUR WINGS AND SHOW THE WORLD WHAT WE CAN DO. LET US NEVER FORGET: OUR NATIONAL SYMBOL IS THE EAGLE, NOT THE OSTRICH.

EACH GENERATION OF AMERICANS MAKES AN IMPLICIT COMPACT WITH THE GENERATIONS THAT FOLLOW: WE PLEDGE THAT THEIR OPPORTUNITIES WILL BE GREATER THAN OURS. OUR GENERATION WILL MAKE GOOD ON THAT PLEDGE -- BUT ONLY IF WE CONTINUE TO LEAD THE WORLD.

SO FOR THE LAST THREE YEARS MY ADMINISTRATION HAS BEEN LAYING THE FOUNDATION FOR AMERICA'S CONTINUED LEADERSHIP, ~~IN THE WORLD.~~ WE HAVE APPROACHED THIS PIVOT POINT IN HISTORY -- THIS MOMENT OF UNPARALLELED OPPORTUNITY -- WITH A POSITIVE STRATEGY TO BUILD ON THE ENDURING STRENGTHS OF THE AMERICAN PEOPLE: OUR CAPACITY FOR HARD WORK, OUR CUTTING-EDGE TECHNOLOGY, OUR WILLINGNESS TO TAKE RISKS.

TO CONTINUE AS THE WORLD'S ECONOMIC LEADER WE MUST EXCEL IN TWO VITAL AREAS: EDUCATION AND TECHNOLOGY. THAT'S WHERE OUR FUTURE LIES. OUR STRATEGY MUST TARGET BOTH -- AND IT DOES.

AMERICAN SCIENCE IS THE BEST IN THE WORLD. WE'VE GOT TO MAKE SURE THAT THE SAME IS TRUE OF AMERICAN SCIENCE EDUCATION. TOMORROW'S MARKETPLACE WILL DEMAND WORKERS HIGHLY-SKILLED IN MATH AND SCIENCE.

TENNESSEANS KNOW THE IMPORTANCE OF THAT, AND I THANK YOU FOR LENDING ME YOUR FORMER GOVERNOR AND U.T.

PRESIDENT, LAMAR ALEXANDER. THROUGH OUR AMERICA 2000 EDUCATION STRATEGY, WE'RE GETTING THE ^{EDUCATION} MESSAGE TO THE REST OF THE COUNTRY.

WORKING WITH THE NATION'S GOVERNORS, SECRETARY *Byrd*
ALEXANDER AND I SET SIX AMBITIOUS EDUCATION GOALS, AND ONE OF THE MOST IMPORTANT WAS THIS: BY THE YEAR 2000, AMERICA'S STUDENTS WILL BE FIRST IN THE WORLD IN MATH AND SCIENCE.

THE BUDGET I'VE RECENTLY SUBMITTED TO CONGRESS CALLS FOR MORE THAN \$2 BILLION IN MATH AND SCIENCE EDUCATION PROGRAMS. THAT'S MORE THAN A 120 PERCENT INCREASE OVER THE PAST THREE YEARS FOR PROGRAMS AT THE PRE-COLLEGE LEVEL. JUST TWO YEARS AGO, WHEN I WAS LAST IN KNOXVILLE, I MENTIONED THAT OUR ENERGY SECRETARY, JIM WATKINS, HAD JOINED UP WITH U.T. AND OAK RIDGE TO START A NEW MATH AND SCIENCE ACADEMY FOR AMERICA'S TEACHERS.

ONCE AGAIN, TENNESSEE SET THE PACE FOR THE COUNTRY. TO BETTER TRAIN TEACHERS, WE PLAN TO DOUBLE THE NUMBER OF MATH AND SCIENCE INSTRUCTORS RECEIVING FEDERALLY-ASSISTED IN-DEPTH INSTRUCTION IN THEIR FIELD. THIS YEAR, ALMOST HALF THE NATION'S PRECOLLEGE MATH AND SCIENCE TEACHERS WILL RECEIVE SOME FEDERALLY-FUNDED TRAINING.

IN THE OLD ERA NOW ENDING, MANY OF OUR BEST SCIENTISTS HELPED AMERICA WIN THE COLD WAR. THE NEW ERA WILL FREE UP THOSE PRICELESS TALENTS TO TRANSFORM THE ARSENAL OF DEMOCRACY INTO THE ENGINE OF ECONOMIC GROWTH. THAT IS THE MISSION. THAT IS THE CHALLENGE OF THE '90S.

BUT IT WILL TAKE THE RIGHT KIND OF INVESTMENTS -- THE KIND WE'VE BEEN MAKING FOR THREE YEARS. THESE HAVE BEEN TOUGH DECISIONS. THIS YEAR, I'VE ASKED FOR A FREEZE ON DISCRETIONARY DOMESTIC SPENDING -- WHICH MEANS THAT ANY INCREASES HAVE TO BE THE RESULT OF HARD THINKING ABOUT PRIORITIES. WE'VE DONE THE HARD THINKING. AND WE'VE MADE A FUNDAMENTAL DECISION. OUR FUTURE ECONOMIC COMPETITIVENESS DEMANDS THAT WE INVEST TODAY IN ONE OF OUR GREATEST STRENGTHS: RESEARCH AND DEVELOPMENT. I'VE ASKED FOR A RECORD INVESTMENT IN R&D: \$76 BILLION NEXT YEAR ALONE.

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GOD BLESS YOU, AND GOD BLESS THE UNITED STATES OF
AMERICA.

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THE PRESIDENT HAS SEEN
2/18/92

THE WHITE HOUSE
WASHINGTON

32 FEB 18 P3:54

February 18, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *DD*
FROM: ANDY FERGUSON *AF*
SUBJECT: REMARKS TO KNOXVILLE COMMUNITY

I. SUMMARY

Tomorrow, February 19, at 11:45 a.m., you will address 1,000 business and community leaders in Knoxville, Tenn. about the role of research and technology in future economic growth.

II. DISCUSSION

The remarks (15 minutes, on teleprompter) come after a tour of Oak Ridge National Laboratory, where you will witness a public-private research agreement to be signed by Secretary Watkins.

Note that the basic shape of these remarks will remain the same, but we have not yet incorporated comments from OMB, Cabinet Affairs, and Policy Development.

(Ferguson/Gershowitz)
February 18, 1992
Draft Three
OAKRIDGE

PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

(Acknowledgments. Tennessee is a state with special significance for me -- after all, it's the volunteer state. During Operation Desert Storm you proved it all over again. Let me take this opportunity to thank the 6,700 Tennessee reservists and National Guard who were called up for Desert Storm and who served this state, served this country with distinction.)

It's a pleasure to be in Knoxville, for what you have done here is a model for the nation. Knoxville combines in one place the enthusiasm of cutting-edge research, the resources of government and the energy of private enterprise. You are pointing our country toward the next American century.

We stand today at a pivot point in history -- at the end of one era and the beginning of another. As imperial communism died, and as the clouds of the Cold War part, America stands alone, the undisputed leader of the world.

The old era demanded great sacrifices; our country met them -- each and every one of them. But the new era opens up to us limitless possibilities, fresh challenges of the kind that have always brought out the best in America.

For the short term, of course, our challenge is to fire up the economy. I've put together a two-part plan, starting with a

short-term package -- seven common sense steps to spur investment and create jobs. With inflation down and interest rates lower than they've been in 20 years, our plan offers incentives to business to buy equipment, upgrade their plants and start hiring again. It offers a real boost to the housing market -- often at the forefront of economic recovery -- with a \$5,000 tax credit for first-time homebuyers.

I've asked Congress to pass my plan by March 20. [You may have heard about other tax plans floated on Capitol Hill. The House Democrats are offering 25 cents-a-day in middle-income tax relief in exchange for cuts in Medicare, student loans, farm payments and a permanent tax on upper-income Americans. Their plan will deepen the deficit by \$30 billion and cost jobs as well. That's a lose-lose proposition if ever there was one.]

Here in Knoxville, let me ask ^{Congress} ~~them~~ again: Help your country. No more games. Pass our plan and get this economy moving again.

Then we must look forward, beyond the short-term into the next century. Believe it or not, looking forward has become a more radical notion than it sounds. From some quarters, we hear the dim voice of defeatism, that tin trumpet sounding retreat. We're told that our future lies in turning away from the world, pulling down the shades and hoping the rest of the world just goes away.

Don't be fooled by the tough talk and patriotic bluster: protectionism comes from fear -- fear that American workers can't

compete -- fear that American ingenuity is spent -- fear that we must turn away from the world because we can no longer lead the world. That's not the future I see for the United States of America.

The America of the future must embrace challenges, not cut and run. It must push back the frontiers of knowledge and technology, and use our great strengths of individual initiative and determination. If we do, the America of the future will compete, and it will win.

This century has taught us many lessons. But above them all hangs an overarching truth: If America is to succeed economically at home, we must lead abroad. Our leadership ensures markets for American products and jobs for American workers; it gives us room to spread our wings and show the world what we can do. Let us never forget: Our national symbol is the eagle, not the ostrich.

Each generation of Americans makes an implicit compact with the generations that follow: We pledge that their opportunities will be greater than ours. Our generation will make good on that pledge -- but only if we continue to lead the world.

So for the last three years my administration has been laying the foundation for America's continued leadership in the world. We have approached this pivot point in history -- this moment of unparalleled opportunity -- with a positive strategy to build on the enduring strengths of the American people: our

capacity for hard work, our cutting-edge technology, our willingness to take risks.

To continue as the world's economic leader we must excel in two vital areas: education and technology. That's where our future lies. Our strategy must target both -- and it does.

American science is the best in the world. We've got to make sure that the same is true of American science education. Tomorrow's marketplace will demand workers highly-skilled in math and science. Tennesseans know the importance of that, and I thank you for lending me your former governor, Lamar Alexander, to help get the message to the rest of the country.

Working with the nation's governors, Secretary Alexander and I set a series of ambitious education goals, and one of the most important was this: By the year 2000, America's students will be first in math and science.

The budget I've recently submitted to Congress calls for more than \$2 billion in math and science education programs -- an 18 percent increase this year for programs at the pre-college level. To better train teachers, we plan to double the number of math and science instructors receiving federally-assisted in-depth instruction in their field. That means that this year, almost half the nation's precollege math and science teachers will receive some federally-funded training.

In the old era now ending, many of our best scientists helped America win the Cold War. The new era will free up those priceless talents to transform the Arsenal of Democracy into the

Engine of Economic Growth. That is the mission. That is the challenge of the '90s.

But it will take the right kind of investments -- the kind we've been making for three years. These have been tough decisions. This year, I've asked for a freeze on discretionary domestic spending -- which means that any increases have to be the result of hard thinking about priorities. We've done the hard thinking. And we've made a fundamental decision. Our future economic competitiveness demands that we invest today in one of our greatest strengths: research and development. I've asked for a record investment in R&D: \$76 billion next year alone.

Let me give you just a few examples of what this means.

This year we're investing \$803 million to assist private enterprise in the development of a high-performance computing system 1000 times more powerful than today's computer. Such a system will forecast droughts and hurricanes, design better aircraft, and unlock the riddle of the genome.

We're investing more than \$1 billion for research in energy technologies to improve energy efficiency -- nuclear fusion, clean coal technologies and alternatives to petroleum.

We're investing almost \$1.5 billion in transportation R&D. To relieve our overburdened highways and airports, we're stimulating research in new transportation technologies such as intelligent vehicle highway systems and high-speed rail.

We're increasing investment in biotechnology research -- for a total of more than \$4 billion -- so that we continue to lead the world in conquering disease and relieving world hunger. This research can pay dividends undreamed of just a few years ago. One recent development: microorganisms that emit light signals when they encounter pollution in the environment.

And there's much more: substantial increases for the superconducting supercollider, agricultural research, and the development of advanced materials. We will double the budget for the National Science Foundation -- home to some of our most fantastic scientific and technological advances.

And for a generation, when Americans have looked to the future they have looked to the stars. We're intensifying our efforts to explore the Moon and the planets -- a quest that not only lifts our spirits but brings tangible benefits in new technology and economic growth.

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So far, 650 such public-private agreements have been reached. In fact, I just witnessed another one out at Oak Ridge this morning. Coors Structural Ceramics Company and Oak Ridge

will be perfecting a new ceramic material that's tougher than steel, perfect for making cutting tools. In fact, the cutting-tool company Hertel has decided to locate one of its manufacturing sites in Oak Ridge, to be near the scientists and facilities there. Hertel joins 23 other companies that have moved to your area for the same reason. That's the bottom-line of these agreements: jobs for Knoxville, jobs for America.

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But make no mistake: government has no business setting an industrial policy, picking winners and losers and protecting favored industries from market forces. The lightening pace of today's economy is too quick, too vital for the deadening hand of the bureaucrat. We will continue to lead only if we give the marketplace full play. A competitive market cuts fat, encourages efficiency and rewards innovation.

That's why for three years we've tried to encourage private venture capital. America taxes capital gains at a rate higher than any of our world competitors, yet the same pessimists who complain we can't compete still stand in the way of lower capital gains taxes. Let's put an end to that self-defeating nonsense. Congress must lower the capital gains tax to create jobs -- and the time to lower it is now.

Finally, we've asked Congress to make the R&E tax credit a permanent part of the tax code. For private companies, this credit reduces the cost of research and development by as much as 20 percent. American businesses must be able to plan for the future knowing those savings are secure.

Each one of these measures has world-shaping implications. There is a strategy for a competitive, vigorous America, and it springs from a vision of what our future should be. The great blessing of our country is that we Americans have the power to create our own future. We have that extraordinary opportunity once again: to guarantee that when our children attend school, they receive the best education in the world -- and that when they leave school, they enter a growing economy with good jobs of their choosing. Let us never forget: The future we plan for today belongs to them.

I am fortunate to be President at an exciting time in our history. The world still looks to this great country -- we have so much to be grateful for, and I am proud to serve as your President.

God bless you, and God bless the United States of America.

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THE WHITE HOUSE
WASHINGTON

February 18, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *AD*
FROM: ANDY FERGUSON *AF*
SUBJECT: REMARKS TO KNOXVILLE COMMUNITY

I. SUMMARY

Tomorrow, February 19, at 11:45 a.m., you will address 1,000 business and community leaders in Knoxville, Tenn. about the role of research and technology in future economic growth.

II. DISCUSSION

The remarks (15 minutes, on teleprompter) come after a tour of Oak Ridge National Laboratory, where you will witness a public-private research agreement to be signed by Secretary Watkins.

Note that the basic shape of these remarks will remain the same, but we have not yet incorporated comments from OMB, Cabinet Affairs, and Policy Development.

(Ferguson/Gershowitz)
February 18, 1992
Draft Three
OAKRIDGE

PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

(Acknowledgments. Tennessee is a state with special significance for me -- after all, it's the volunteer state. During Operation Desert Storm you proved it all over again. Let me take this opportunity to thank the 6,700 Tennessee reservists and National Guard who were called up for Desert Storm and who served this state, served this country with distinction.)

It's a pleasure to be in Knoxville, for what you have done here is a model for the nation. Knoxville combines in one place the enthusiasm of cutting-edge research, the resources of government and the energy of private enterprise. You are pointing our country toward the next American century.

We stand today at a pivot point in history -- at the end of one era and the beginning of another. As imperial communism died, and as the clouds of the Cold War part, America stands alone, the undisputed leader of the world.

The old era demanded great sacrifices; our country met them -- each and every one of them. But the new era opens up to us limitless possibilities, fresh challenges of the kind that have always brought out the best in America.

For the short term, of course, our challenge is to fire up the economy. I've put together a two-part plan, starting with a

short-term package -- seven common sense steps to spur investment and create jobs. With inflation down and interest rates lower than they've been in 20 years, our plan offers incentives to business to buy equipment, upgrade their plants and start hiring again. It offers a real boost to the housing market -- often at the forefront of economic recovery -- with a \$5,000 tax credit for first-time homebuyers.

I've asked Congress to pass my plan by March 20. [You may have heard about other tax plans floated on Capitol Hill. The House Democrats are offering 25 cents-a-day in middle-income tax relief in exchange for cuts in Medicare, student loans, farm payments and a permanent tax on upper-income Americans. Their plan will deepen the deficit by \$30 billion and cost jobs as well. That's a lose-lose proposition if ever there was one.]

Here in Knoxville, let me ask them again: Help your country. No more games. Pass our plan and get this economy moving again.

Then we must look forward, beyond the short-term into the next century. Believe it or not, looking forward has become a more radical notion than it sounds. From some quarters, we hear the dim voice of defeatism, that tin trumpet sounding retreat. We're told that our future lies in turning away from the world, pulling down the shades and hoping the rest of the world just goes away.

Don't be fooled by the tough talk and patriotic bluster: protectionism comes from fear -- fear that American workers can't

compete -- fear that American ingenuity is spent -- fear that we must turn away from the world because we can no longer lead the world. That's not the future I see for the United States of America.

The America of the future must embrace challenges, not cut and run. It must push back the frontiers of knowledge and technology, and use our great strengths of individual initiative and determination. If we do, the America of the future will compete, and it will win.

This century has taught us many lessons. But above them all hangs an overarching truth: If America is to succeed economically at home, we must lead abroad. Our leadership ensures markets for American products and jobs for American workers; it gives us room to spread our wings and show the world what we can do. Let us never forget: Our national symbol is the eagle, not the ostrich.

Each generation of Americans makes an implicit compact with the generations that follow: We pledge that their opportunities will be greater than ours. Our generation will make good on that pledge -- but only if we continue to lead the world.

So for the last three years my administration has been laying the foundation for America's continued leadership in the world. We have approached this pivot point in history -- this moment of unparalleled opportunity -- with a positive strategy to build on the enduring strengths of the American people: our

capacity for hard work, our cutting-edge technology, our willingness to take risks.

To continue as the world's economic leader we must excel in two vital areas: education and technology. That's where our future lies. Our strategy must target both -- and it does.

American science is the best in the world. We've got to make sure that the same is true of American science education. Tomorrow's marketplace will demand workers highly-skilled in math and science. Tennesseans know the importance of that, and I thank you for lending me your former governor, Lamar Alexander, to help get the message to the rest of the country.

Working with the nation's governors, Secretary Alexander and I set a series of ambitious education goals, and one of the most important was this: By the year 2000, America's students will be first in math and science.

The budget I've recently submitted to Congress calls for more than \$2 billion in math and science education programs -- an 18 percent increase this year for programs at the pre-college level. To better train teachers, we plan to double the number of math and science instructors receiving federally-assisted in-depth instruction in their field. That means that this year, almost half the nation's precollege math and science teachers will receive some federally-funded training.

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I am fortunate to be President at an exciting time in our history. The world still looks to this great country -- we have so much to be grateful for, and I am proud to serve as your President.

God bless you, and God bless the United States of America.

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WHITE HOUSE STAFFING MEMORANDUM

1209

DATE: 2/18/92 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 TODAY

SUBJECT: PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM



	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"/>	MCBRIDE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input 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"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 2:00 TODAY, Tuesday, February 18, with a copy to this office. Thank you.

RESPONSE:

TO: DANIEL B. MC GROARTY February 18, 1992

The NSC staff has no objection to the proposed presidential remarks.

for
Brent Scowcroft

one small change

cc: Phillip D. Brady

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

(Ferguson/Gershowitz)
February 18, 1992
Draft Two
OAKRIDGE

02 FEB 18 11:09

PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

(Acknowledgments, humor, Tennessee color.)

It's a pleasure to be in Knoxville, for what you have done here is a model for the nation. Knoxville combines in one place the resources of government, the enthusiasm of cutting-edge research and the energy and inventiveness of private enterprise. You are pointing our country toward the next American century.

We stand today at a pivot point in history -- at the end of one era and the beginning of another. In the last year imperial communism died, and as the clouds of the Cold War part, America stands alone, the undisputed leader of the world.

The old era demanded great sacrifices; our country met them proudly. But the new era opens up to us limitless possibilities, fresh challenges of the kind that have always brought out the best in America.

For the short term, of course, our challenge is to fire up the economy. I've put together a short-term plan -- seven common sense steps -- to spur investment and create jobs. With inflation down and interest rates at historic lows, my short-term plan offers the stimulus our economy needs and lays the groundwork for a strong recovery.

I've asked Congress to pass my plan by March 20. And here in Knoxville, let me ask them again: Help your country. America can no longer wait. [Placeholder for tax insert.] Pass my plan and get this economy moving again.

With my plan in place, we must look forward, beyond the short-term into the next century. Believe it or not, looking forward has become a more radical notion than it sounds. Even now, in this moment of great triumph for America, we hear from some quarters the dim voice of defeatism, a tinny trumpet sounding retreat. We're told that our future lies in turning away from the world, in isolating our country behind some wall of protection to re-create a simpler, less challenging past.

Don't be fooled by the tough talk and ~~patriotic~~ bluster: protectionism comes from fear -- fear that American workers can't compete -- fear that American ingenuity is spent -- fear that we must turn away from the world because we can no longer lead the world. That's not the future I see for the United States of America. //

The America of the future will pull down barriers, not build them up. It will embrace challenges, not cut and run. It will push back the frontiers of knowledge and technology, not pine for an irretrievable past. And because of this, when the America of the future competes, it will win.

This century has taught us many lessons. But above them all hangs an overarching truth: If America is to succeed economically at home, we must lead abroad. Our leadership

ensures markets for American products and jobs for American workers; it gives us room to spread our wings and show the world what we can do. Let us never forget: Our national symbol is the eagle, not the ostrich.

Each generation of Americans makes an implicit compact with the generations that follow: We pledge to our children and grandchildren that their lives will be better than ours -- that their standard of living will be higher, that their opportunities will be greater. Our generation will make good on its pledge only if we continue to lead the world, and as president I hold this promise as a solemn vow.

So for the last three years my administration has been laying the foundation for America's continued leadership in the world. We have approached this pivot point in history -- this moment of unparalleled opportunity -- with a positive strategy to build on the enduring strengths of the American people: our capacity for hard work, our cutting-edge technology, our willingness to take risks.

To continue as the world's economic leader we must excel in two vital areas: education and technology. That's where our future lies. Our strategy targets both.

American science is the best in the world. We've got to make sure that the same is true of American science education. Tomorrow's marketplace will demand workers highly-skilled in math and science. Tennesseans know the importance of that, and I

thank you for lending me your former governor, Lamar Alexander, to help get the message to the rest of the country.

Joining with the nation's governors, Secretary Alexander and I set a series of education goals, and one of the most important was this: By the year 2000, America's students will be first in math and science. Yes, it's an ambitious goal. That's why we've set it.

The budget I've recently submitted to Congress calls for more than \$2 billion in math and science education programs -- an 18 percent increase this year for programs at the pre-college level. To better train teachers, we plan to double the number of math and science instructors receiving federally-assisted in-depth instruction in their field. That means that this year, almost half the nation's precollege math and science teachers will receive some federally-funded training.

In the old era now ending, many of America's best scientists were engaged in winning the cold war. The new era will free up those priceless talents to concentrate on the technologies of tomorrow -- improving productivity and guaranteeing our longterm prosperity. We will transform the Arsenal of Democracy into the Engine of Economic Growth.

But it will take the right kind of investments -- the kind we've been making for three years. These have been tough decisions. This year, I've asked for a freeze on discretionary domestic spending -- which means that any increases have to be the result of hard thinking about priorities. We've done the

hard thinking. And we've made a fundamental decision. Our future economic competitiveness demands that we invest today in our strengths: research and development. I've asked for a record investment in R&D: \$76 billion this year alone.

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Each of these measures I've spoken of this afternoon springs from a vision of what our future should be. The great blessing of our country has always been that we Americans create our own future. This is no less true today than it was in the 19th century, when a vast frontier opened up before us and the Industrial Revolution promised unprecedented prosperity.

In this century, with confidence in themselves and faith in their talents, Americans made good on the dreams of their grandparents. Our grandchildren and their children will do the same for us, if we hold to the same confidence and faith, if we face the future unafraid, if today we bravely lay the foundation for the world they will enjoy tomorrow.

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Bob Geady's Comment
p. 7 5:55 per Barbara

Bob Geady's
Comment p.
(Ferguson/Gershowitz)
February 18, 1992
Draft Four
OAKRIDGE

PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

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We're increasing investment in biotechnology research -- for a total of more than \$4 billion -- so that we continue to lead the world in conquering disease and relieving world hunger. This research can pay dividends undreamed of just a few years ago, not only in health care but in manufacturing, energy, and environmental protection. One recent development: microorganisms that emit light signals when they encounter pollution in the environment.

And there's much more: substantial increases for the superconducting supercollider, agricultural research, and the development of advanced materials. We will double the budget for the National Science Foundation -- home to some of our most fantastic scientific and technological advances.

And for a generation, when Americans have looked to the future they have looked to the stars. We're intensifying our efforts to explore the Moon and the planets -- a quest that not only lifts our spirits but brings tangible benefits in new technology and economic growth.

These incredible technologies can't just sit in the science books -- they need to work for America. So we're moving them out of the laboratory and into the marketplace. We've been busy sweeping away the obstacles that block the transfer of technology from the government to private enterprise. Just over two years ago, I signed a bill that allows private industry to take competitive advantage of government research.

There are 675 ⁷ *active today.*
~~So far, 650 such public-private agreements have been~~

~~reached.~~ In fact, I just witnessed another one out at Oak Ridge this morning. Coors Structural Ceramics Company and Oak Ridge will be perfecting a new ceramic material that's tougher than steel, perfect for making cutting tools. In fact, the cutting-tool company Hertel has decided to locate one of its manufacturing sites in Oak Ridge, to be near the scientists and facilities there. Hertel joins 23 other companies that have moved to your area for the same reason. That's the bottom-line of these agreements: jobs for Knoxville, jobs for America.

Our National Technology Initiative brings government officials together with private businesses to let them know what government can offer in new technology. This initiative will take advantage of the irreplaceable resources at our national labs, including Oak Ridge, to foster technological excellence.

But make no mistake: government has no business setting an industrial policy, picking winners and losers and protecting favored industries from market forces. The lightening pace of today's economy is too quick, too vital for the deadening hand of the bureaucrat. We will continue to lead only if we give the marketplace full play. A competitive market cuts fat, encourages efficiency and rewards innovation.

That's why for three years we've tried to encourage private venture capital. America taxes capital gains at a rate higher than any of our world competitors, yet the same pessimists who complain we can't compete still stand in the way of lower capital

gains taxes. Let's put an end to that self-defeating nonsense. Congress must lower the capital gains tax to create jobs -- and the time to lower it is now.

Finally, we've asked Congress to make the R&E tax credit a permanent part of the tax code. For private companies, this credit reduces the cost of research and development by as much as 20 percent. American businesses must be able to plan for the future knowing those savings are secure.

Each one of these measures has world-shaping implications. There is a strategy for a competitive, vigorous America, and it springs from a vision of what our future should be. The great blessing of our country is that we Americans have the power to create our own future. We have that extraordinary opportunity once again: to guarantee that when our children attend school, they receive the best education in the world -- and that when they leave school, they enter a growing economy with good jobs of their choosing. Let us never forget: The future we plan for today belongs to them.

I am fortunate to be President at an exciting time in our history. The world still looks to this great country -- we have so much to be grateful for, and I am proud to serve as your President.

God bless you, and God bless the United States of America.

#

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D C 20506

DATE: Feb. 18, 1992

TO: *Dan McGroarty*
ADDRESS:

TELEPHONE NUMBER:

FAX NUMBER: *6218*

FROM: *Steve Olson*

TELEPHONE NUMBER: *2734*

FAX NUMBER: (202)395-3261

NUMBER OF PAGES, INCLUDING COVER SHEET *2*

Here are the points we'd like to include.

Proposed Additions to Tennessee Speech:**Page 5:**

"I've asked for a record investment in R&D: \$76 billion this year alone. Furthermore, we're coordinating this R&D across all of our federal agencies, so that we get the maximum return from our investment."

Make this point if possible?

Page 5:

"This research can pay dividends undreamed of just a few years ago, not only in health care but in manufacturing, energy production, environmental protection, and many other areas. One recent development: microorganisms that emit light signals when they encounter pollution in the environment."

Pages 5 and 6:

"We will double the budget for the National Science Foundation -- home to some of our most fantastic scientific and technological advances. At the National Institutes of Health, fundamental research will continue to spur tomorrow's medical miracles, such as a children's vaccine that can protect against dozens of diseases from birth."

Page 6:

"Our National Technology Initiative brings government officials together with private businesses to let them know what government can offer in new technology. This initiative will take advantage of the unique and irreplaceable resources at our national laboratories, including Oak Ridge, to foster technological excellence."

if possible

WHITE HOUSE STAFFING MEMORANDUM



DATE: 2/18/92 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 TODAY

SUBJECT: PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM

	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"/>	MCBRIDE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input 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"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 2:00 TODAY, Tuesday, February 18, with a copy to this office. Thank you.

RESPONSE:

Audrey Comments

*Andy - bracket
Tax insert
10/92*

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

(Ferguson/Gershowitz)
February 18, 1992
Draft Two
OAKRIDGE

32 FEB 18 11:09

PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

(Acknowledgments, humor, Tennessee color.)

It's a pleasure to be in Knoxville, for what you have done here is a model for the nation. Knoxville combines in one place the resources of government, the enthusiasm of cutting-edge research and the energy and inventiveness of private enterprise. You are pointing our country toward the next American century.

We stand today at a pivot point in history -- at the end of one era and the beginning of another. ^{As} ~~In the last year~~ imperial communism died, and as the clouds of the Cold War part, America stands alone, the undisputed leader of the world.

The old era demanded great sacrifices; our country met them ^{each and every one of them.} ~~proudly.~~ But the new era opens up to us limitless possibilities, fresh challenges of the kind that have always brought out the best in America.

For the short term, of course, our challenge is to fire up the economy. I've put together a ^{2-part plan starting with a} short-term plan -- seven common sense steps -- to spur investment and create jobs. With inflation down and interest rates at historic lows, ~~my short-term plan offers the stimulus our economy needs and lays the~~ ^{our} ~~groundwork for a strong recovery.~~ ^{incentives to business to ~~invest~~ buy equipment, upgrade their plants, and start hiring again}

^{It offers the housing market - often at the cutting forefront of economic recovery - a real boost - through a \$5,000 tax credit for first-time homebuyers.}

you may have heard about other tax plans floated on Capitol Hill. Medicare, student loans, and farm payments in exchange for a
The House Democrats are offering a 25% a day tax relief, and a permanent tax increase on the upper income Americans. Their plan will cost jobs as well.
That's a pretty steep price for a

I've asked Congress to pass my plan by March 20. ~~And here~~ ^{So}
in Knoxville, let me ask them again: Help your country. America
can no longer wait. ~~[Placeholder for tax insert.]~~ ^{No more games-} Pass my plan
and get this economy moving again.

~~With my plan in place,~~ ^{Then} we must look forward, beyond the
short-term into the next century. Believe it or not, looking
forward has become a more radical notion than it sounds. ~~Even~~
~~now, in this moment of great triumph for America,~~ ^{From some quarters} we hear from
~~some quarters~~ the dim voice of defeatism, ^{still} a tinny trumpet
sounding retreat. We're told that our future lies in turning
away from the world, in isolating our country ^{pulling down the shades} behind some wall of
~~protection to re-create a simpler, less challenging past.~~ ^{and hoping the rest of the world won't just go away.}

Don't be fooled by the tough talk and patriotic bluster:
protectionism comes from fear -- fear that American workers can't
compete -- fear that American ingenuity is spent -- fear that we
must turn away from the world because we can no longer lead the
world. That's not the future I see for the United States of
America.

The America of the future ~~will pull down barriers, not build~~ ^{must}
~~them up.~~ It will embrace challenges, not cut and run. It ~~will~~ ^{will} ~~push back~~ ^{must}
~~the frontiers of knowledge and technology,~~ ^{and use of great} ~~not pine for~~
~~an irretrievable past.~~ ^{strengths of individual initiative and determination.} ~~And because of this,~~ ^{If we do,} when the America of
the future ^{will} ~~competes,~~ ^{and} it will win.

This century has taught us many lessons. But above them all
hangs an overarching truth: If America is to succeed
economically at home, we must lead abroad. Our leadership

That's like saying - while It won't give you much relief, you can be sure your headache will get a lot worse.

ensures markets for American products and jobs for American workers; it gives us room to spread our wings and show the world what we can do. Let us never forget: Our national symbol is the eagle, not the ostrich.

Each generation of Americans makes an implicit compact with the generations that follow: We pledge ~~to our children and grandchildren that their lives will be better than ours~~ that their standard of living will be higher, that their opportunities will be greater ^{than ours.} Our generation will make good on ~~its~~ ^{that} pledge ~~— but~~ only if we continue to lead the world, and as president I hold this promise as a solemn vow. — —

So for the last three years my administration has been laying the foundation for America's continued leadership in the world. We have approached this pivot point in history -- this moment of unparalleled opportunity -- with a positive strategy to build on the enduring strengths of the American people: our capacity for hard work, our cutting-edge technology, our willingness to take risks.

To continue as the world's economic leader we must excel in two vital areas: education and technology. That's where our future lies. Our strategy ^{must} targets both ~~—~~ and it does.

American science is the best in the world. We've got to make sure that the same is true of American science education. Tomorrow's marketplace will demand workers highly-skilled in math and science. Tennesseans know the importance of that, and I

thank you for lending me your former governor, Lamar Alexander, to help get the message to the rest of the country.

Joining with the nation's governors, Secretary Alexander and I set a series of ^{ambitious} education goals, and one of the most important was this: By the year 2000, America's students will be first in math and science. ~~Yes, it's an ambitious goal. That's why we've set it.~~

The budget I've recently submitted to Congress calls for more than \$2 billion in math and science education programs -- an 18 percent increase this year for programs at the pre-college level. To better train teachers, we plan to double the number of math and science instructors receiving federally-assisted in-depth instruction in their field. That means that this year, almost half the nation's precollege math and science teachers will receive some federally-funded training.

In the old era now ending, many of ^{our} ~~America's~~ best scientists ~~helped America~~ ~~were engaged in winning the Cold War.~~ The new era will free up those priceless talents to ~~concentrate on the technologies of tomorrow -- improving productivity and guaranteeing our longterm prosperity.~~ We will transform the Arsenal of Democracy into the Engine of Economic Growth. That is the Mission. That is the challenge of the 90's.

~~But~~ it will take the right kind of investments -- the kind we've been making for three years. These have been tough decisions. This year, I've asked for a freeze on discretionary domestic spending -- which means that any increases have to be the result of hard thinking about priorities. We've done the

To safeguard on
nat. security + to
push forward basic
technologies

hard thinking. And we've made a fundamental decision. Our future economic competitiveness demands that we invest today in our strengths: research and development. I've asked for a record investment in R&D: \$76 billion this year alone.

Let me give you just a few examples of what this means.

This year we're investing \$803 million to assist private enterprise in the development of a high-performance computing system 1000 times more powerful than today's computer. Such a system will forecast droughts and hurricanes, design better aircraft, and unlock the riddle of the genome.

We're investing more than \$1 billion in technologies to improve energy efficiency -- nuclear fusion and alternatives to petroleum.

We're investing almost \$1.5 billion in transportation R&D. To relieve our overburdened highways and airports, we're stimulating research in new transportation technologies such as intelligent vehicle highway systems and high-speed rail.

We're increasing investment in biotechnology research -- for a total of more than \$4 billion -- so that we continue to lead the world in conquering disease and relieving world hunger. This research can pay dividends undreamed of just a few years ago. One recent development: microorganisms that emit light signals when they encounter pollution in the environment.

And there's much more: substantial increases for the superconducting supercollider, agricultural research, and the development of advanced materials. We will double the budget for

the National Science Foundation -- home to some of our most fantastic technological advances.

And for a generation, when Americans have looked to the future they have looked to the stars. We're intensifying our efforts to explore the Moon and the planets -- a quest that not only lifts our spirits but brings tangible benefits in new technology and economic growth.

~~Our challenge will be to put~~ these incredible technologies ^{can't just sit in the sciences they need} to work for America, ^{so we must} ~~to~~ move them out of the laboratory and into the marketplace. ^{We're doing just that} We've been busy sweeping away the obstacles that inhibit the transfer of technology from the government to private enterprise. Just over a year ago, I signed a bill that allows private industries to take competitive advantage of government research.

So far, 650 such public-private agreements have been reached. In fact, I just witnessed another one out at Oak Ridge this morning. Coors Structural Ceramics Company and Oak Ridge will be perfecting a new ceramic material that's tougher than steel, perfect for making cutting tools. This kind of agreement means jobs: the cutting-tool company Hertel has decided to locate one of its manufacturing sites in Oak Ridge, to be near the scientists and facilities there.

~~We're getting the message out.~~ Our National Technology Initiative brings government officials together with private businesses to let them know what government can offer in new technology.

But make no mistake: government has no business setting an industrial policy, picking winners and losers and protecting favored industries from market forces. The lightening pace of today's economy is too quick, too vital for the deadening hand of the bureaucrat. We will continue to lead only if we give the marketplace full play. A competitive market cuts fat, encourages efficiency and rewards innovation.

That's why for three years we've tried to encourage private venture capital. America taxes capital gains at a rate higher than any of our world competitors, yet the same pessimists who complain we can't compete ^{still stand} ~~have stood~~ in the way of lower capital gains taxes. ^{It's time to} ~~Let's~~ put an end to that self-defeating nonsense. Congress must lower the capital gains tax to create jobs ^{and}. The time to lower ^{it} is now.

Finally, we've asked Congress to make the R&E tax credit a permanent part of the tax code. For private companies, this credit reduces the cost of research and development by as much as 20 percent. American businesses must be able to plan for the future knowing those savings are secure.

Each ^{one} of these measures ^{have major implications. There is a strategy for a competitive America and it} ~~I've spoken of this afternoon~~ springs from a vision of what our future should be. The great blessing

of our country has always been that we Americans create our own future. ^{We have that extraordinary opportunity once again. I am fortunate} ~~This is no less true today than it was in the 19th~~

~~to be President at an exciting time in our history. The world still looks to this great country as: for our principles and - we have so much to be grateful~~
Industrial Revolution promised unprecedented prosperity.

for and I am proud to have the honor of serving as your President.

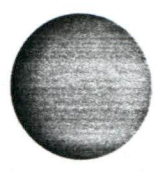
God Bless

In this century, with confidence in themselves and faith in their talents, Americans made good on the dreams of their grandparents. Our grandchildren and their children will do the same for us, if we hold to the same confidence and faith, if we face the future unafraid, if today we bravely lay the foundation for the world they will enjoy tomorrow.

#

WHITE HOUSE STAFFING MEMORANDUM

92 FEB 18 P3:48



DATE: 2/18/92 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 TODAY

SUBJECT: PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM

	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"/>	MCBRIDE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input 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"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 2:00 TODAY, Tuesday, February 18, with a copy to this office. Thank you.

RESPONSE:

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

(Ferguson/Gershowitz)
February 18, 1992
Draft Two
OAKRIDGE

32 FEB 18 AM: 09

PRESIDENTIAL REMARKS: KNOXVILLE AUDITORIUM-COLISEUM
WEDNESDAY, FEBRUARY 19, 1992
KNOXVILLE, TENNESSEE
11:45 AM

(Acknowledgments, humor, Tennessee color.)

It's a pleasure to be in Knoxville, for what you have done here is a model for the nation. Knoxville combines in one place the resources of government, the enthusiasm of cutting-edge research and the energy and inventiveness of private enterprise. You are pointing our country toward the next American century.

We stand today at a pivot point in history -- at the end of one era and the beginning of another. In the last year imperial communism died, and as the clouds of the Cold War part, America stands alone, the undisputed leader of the world.

The old era demanded great sacrifices; our country met them proudly. But the new era opens up to us limitless possibilities, fresh challenges of the kind that have always brought out the best in America.

For the short term, of course, our challenge is to fire up the economy. I've put together a short-term plan -- seven common sense steps -- to spur investment and create jobs. With inflation down and interest rates at historic lows, my short-term plan offers the stimulus our economy needs and lays the groundwork for a strong recovery.

I've asked Congress to pass my plan by March 20. And here in Knoxville, let me ask them again: Help your country. America can no longer wait. [Placeholder for tax insert.] Pass my plan and get this economy moving again.

With my plan in place, we must look forward, beyond the short-term into the next century. Believe it or not, looking forward has become a more radical notion than it sounds. Even now, in this moment of great triumph for America, we hear from some quarters the dim voice of defeatism, a tinny trumpet sounding retreat. We're told that our future lies in turning away from the world, in isolating our country behind some wall of protection to re-create a simpler, less challenging past.

Don't be fooled by the tough talk and patriotic bluster: protectionism comes from fear -- fear that American workers can't compete -- fear that American ingenuity is spent -- fear that we must turn away from the world because we can no longer lead the world. That's not the future I see for the United States of America.

X The America of the future will pull down barriers, not build them up. It will embrace challenges, not cut and run. It will push back the frontiers of knowledge and technology, not pine for an irretrievable past. And because of this, when the America of the future competes, it will win. ✓

This century has taught us many lessons. But above them all hangs an overarching truth: If America is to succeed economically at home, we must lead abroad. Our leadership

ensures markets for American products and jobs for American workers; it gives us room to spread our wings and show the world what we can do. Let us never forget: Our national symbol is the eagle, not the ostrich.

Each generation of Americans makes an implicit compact with the generations that follow: We pledge to our children and grandchildren that their lives will be better than ours -- that their standard of living will be higher, that their opportunities will be greater. Our generation will make good on its pledge only if we continue to lead the world, and as president I hold this promise as a solemn vow.

So for the last three years my administration has been laying the foundation for America's continued leadership in the world. We have approached this pivot point in history -- this moment of unparalleled opportunity -- with a positive strategy to build on the enduring strengths of the American people: our capacity for hard work, our cutting-edge technology, our willingness to take risks.

To continue as the world's economic leader we must excel in two vital areas: education and technology. That's where our future lies. Our strategy targets both.

American science is the best in the world. We've got to make sure that the same is true of American science education. Tomorrow's marketplace will demand workers highly-skilled in math and science. Tennesseans know the importance of that, and I

thank you for lending me your former governor, Lamar Alexander, to help get the message to the rest of the country.

Joining with the nation's governors, ^{WE HAVE ESTABLISHED} ~~Secretary Alexander~~ and ^{AMBITIOUS} ~~I set a series of~~ ^{SIX} education goals, and one of the most ^{IS} important was this: By the year 2000, America's students will be first in ^{ACHIEVEMENT} math and science. ~~Yes, it's an ambitious goal. That's why we've~~ ^{OOE} set it.

The budget I've recently submitted to Congress calls for ^{ADD THIS} more than \$2 billion in math and science education programs -- an 18 percent increase ^{OVER LAST YEAR --} ~~this year~~ for programs at the pre-college level. ^{CAN: OVER 120 PERCENT INCREASE IN JUST THREE YEARS -- *} To better train teachers, we plan to double the number of math and science instructors receiving federally-assisted in-depth instruction in their field. ^{NO} ~~That means that~~ this year, almost half the nation's precollege math and science teachers will receive some federally-funded training.

In the old era now ending, many of America's best scientists were engaged in winning the cold war. The new era will free up those priceless talents to concentrate on the technologies of tomorrow -- improving productivity and guaranteeing our longterm prosperity. We will transform the Arsenal of Democracy into the Engine of Economic Growth.

But it will take the right kind of investments -- the kind we've been making for three years. These have been tough decisions. This year, I've asked for a freeze on discretionary domestic spending -- which means that any increases have to be the result of hard thinking about priorities. We've done the

* SOURCE: FY 93 FUSEE REPORT (copy attached.)

hard thinking. And we've made a fundamental decision. Our future economic competitiveness demands that we invest today in our strengths: research and development. I've asked for a record investment in R&D: \$76 billion this year alone.

Let me give you just a few examples of what this means.

This year we're investing \$803 million to assist private enterprise in the development of a high-performance computing system 1000 times more powerful than today's computer. Such a system will forecast droughts and hurricanes, design better aircraft, and unlock the riddle of the genome.

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We're investing almost \$1.5 billion in transportation R&D. To relieve our overburdened highways and airports, we're stimulating research in new transportation technologies such as intelligent vehicle highway systems and high-speed rail.

We're increasing investment in biotechnology research -- for a total of more than \$4 billion -- so that we continue to lead the world in conquering disease and relieving world hunger. This research can pay dividends undreamed of just a few years ago. One recent development: microorganisms that emit light signals when they encounter pollution in the environment.

And there's much more: substantial increases for the superconducting supercollider, agricultural ^{AND EDUCATION} research, and the development of advanced materials. We will double the budget for

* 66% INCREASE SINCE 1982. IN EDUCATION R&D.

the National Science Foundation -- home to some of our most fantastic technological advances.

And for a generation, when Americans have looked to the future they have looked to the stars. We're intensifying our efforts to explore the Moon and the planets -- a quest that not only lifts our spirits but brings tangible benefits in new technology and economic growth.

Our challenge will be to put these incredible technologies to work for America, to move them out of the laboratory and into the marketplace. We've been busy sweeping away the obstacles that inhibit the transfer of technology from the government to private enterprise. Just over a year ago, I signed a bill that allows private industries to take competitive advantage of government research.

So far, 650 such public-private agreements have been reached. In fact, I just witnessed another one out at Oak Ridge this morning. Coors Structural Ceramics Company and Oak Ridge will be perfecting a new ceramic material that's tougher than steel, perfect for making cutting tools. This kind of agreement means jobs: the cutting-tool company Hertel has decided to locate one of its manufacturing sites in Oak Ridge, to be near the scientists and facilities there.

We're getting the message out. Our National Technology Initiative brings government officials together with private businesses to let them know what government can offer in new technology.

But make no mistake: government has no business setting an industrial policy, picking winners and losers and protecting favored industries from market forces. The lightening pace of today's economy is too quick, too vital for the deadening hand of the bureaucrat. We will continue to lead only if we give the marketplace full play. A competitive market cuts fat, encourages efficiency and rewards innovation.

That's why for three years we've tried to encourage private venture capital. America taxes capital gains at a rate higher than any of our world competitors, yet the same pessimists who complain we can't compete have stood in the way of lower capital gains taxes. Let's put an end to that self-defeating nonsense. Congress must lower the capital gains tax to create jobs. The time to lower is now.

Finally, we've asked Congress to make the R&E tax credit a permanent part of the tax code. For private companies, this credit reduces the cost of research and development by as much as 20 percent. American businesses must be able to plan for the future knowing those savings are secure.

Each of these measures I've spoken of this afternoon springs from a vision of what our future should be. The great blessing of our country has always been that we Americans create our own future. This is no less true today than it was in the 19th century, when a vast frontier opened up before us and the Industrial Revolution promised unprecedented prosperity.

In this century, with confidence in themselves and faith in their talents, Americans made good on the dreams of their grandparents. Our grandchildren and their children will do the same for us, if we hold to the same confidence and faith, if we face the future unafraid, if today we bravely lay the foundation for the world they will enjoy tomorrow.

#