

Originally Processed With FOIA(s):

S

FOIA Number:

S

# FOIA MARKER

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

---

**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

---

**OA/ID Number:** 13605  
**Folder ID Number:** 13605-005

---

**Folder Title:**  
Knoxville Community 2/19/92 [OA 6097] [2]

---

Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>26</b>	<b>17</b>	<b>6</b>	<b>6</b>

---

THE WHITE HOUSE  
WASHINGTON

92 FEB 18 P3:54

February 18, 1992

MEMORANDUM FOR DAN MCGROARTY

FROM: GENE C. SCHAERR *ccs*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Comments on Knoxville Speech

Counsel's Office has no legal objection to the draft speech. However, we believe it is important to point out that the President has recently directed all agencies to accelerate growth-enhancing programs, including programs related to technology transfer. I therefore propose inserting the following language on page 6, at the end of the second full paragraph:

And just last month, I asked all federal agencies, as part of a comprehensive 90-day review of their existing regulations, to accelerate their efforts to implement this pro-growth legislation and to remove any additional regulatory impediments they find.

I have also noted a typo on p. 7.

cc: Phil Brady

We make this  
point in almost  
every speech -

Let's not do it  
in this one.

*DMC*

# 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"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<del>GRAY</del>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>MCGROARTY</u>	<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 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.

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.

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 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.

# # # #

3<sup>15</sup> per  
Bluff

H. Hoare - by phone

1) add reference of lots.  
Sewings in D. Store.

2) Make point about correspondence  
p. 7 last para. - See D's  
change. ✓

3) Would like to see Grogan insert  
when ready.



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 cuts in Medicare, student loans, and farm payments <sup>2</sup> in exchange for <sup>1</sup> 25 cents-a-day in <sup>middle income</sup> tax relief and a permanent tax on upper income Americans. Their plan will deepen the deficit by \$30 billion and cost jobs as well. ~~That's some relief.~~ *That's a bad deal for everyone. 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.

Document No. 30861555

# 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"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>MCGROARTY</u>	<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

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

4

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~~

Why emphasize the negative?

NOT A NEGATIVE - point - just explicit.

*(It would be good to say that the fed govt can properly play a role in R & D & active when that is. All hard thinking. And we've made a fundamental decision. Our*

future economic competitiveness demands that we invest today in our strenths: 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

*Add graph out why we think such investments okay and why industrial policy is not*

*we say we're against i.e. industrial policy*

6

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.

WHITE HOUSE STAFFING MEMORANDUM

92 FEB 18 P1:31

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:

*only remark that the P. should work in his "volunteerism" - that government alone is not the answer - that "communities whole & good" are a coalition of interests - They need to do their part. The President is doing his part. Together we will prevail -*

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.

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.

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 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<sup>1</sup> 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.

# # # #

WHITE HOUSE STAFFING MEMORANDUM  
92 FEB 18 P1:56



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:  
*Please see comments. Thank you.*

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, <sup>↑</sup> Our generation will make good on <sup>these</sup> ~~its~~ pledges only if we continue to lead the world, and as president I hold this promise as a solemn vow.

*That their communities will be better places to live.*

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. <sup>↑</sup> Tennesseans know the importance of that, and I

⊗ *In every neighborhood, town, and city, we must create excellent schools and a culture that fosters lifelong learning.*

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.

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 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 <sup>have the power to</sup> 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.

⊗  
a place where  
all people enjoy  
meaningful  
employment  
opportunities and  
the hope of  
economic  
advancement.

✓

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.

# # # #

Hoskin

SP error  
PS 5

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

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 <sup>(SP)</sup> 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 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.

# # # #

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

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.

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 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.

# # # #

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/18/92 ACTION/CONCURRENCE/COMMENT DUE BY: ---

PRESIDENTIAL REMARKS: KNOXVILLE COMMUNITY  
 SUBJECT: FEB. 19 - 11:45 a.m.

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

REMARKS:

The attached has been forwarded to the President.



RESPONSE:

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

THE WHITE HOUSE  
WASHINGTON

February 18, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST   
FROM: ANDY FERGUSON   
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.

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.

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.

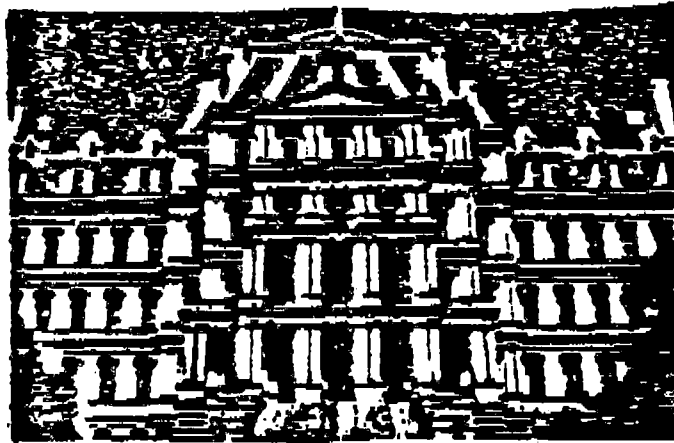
I am fortunate to be President at an exciting time in our history. The world still looks to this great country -- we have so much to be grateful for, and I am proud to serve as your President.

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

# # # #

# EXECUTIVE OFFICE OF THE PRESIDENT

## Office of Management and Budget



### FACSIMILE TRANSMITTAL SHEET

Number of Pages including cover 2

Date: 2/18/92

To: Don McGroarty

Fax Number: \*6218

Office Number: Rm 122

Comments: this is one page of our  
comments -- we have alot more  
to come. Sorry so late.

From: Barbara Boehme /OMB

Fax Number: (202) 395

Office Number: (202) 395

4

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 <sup>the world</sup> math and science. Yes, it's an ambitious goal. That's why we've set it. *Scully*

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 <sup>in FY93</sup> plan to double the number of math and science instructors receiving federally-assisted in-depth instruction in their field. <sup>In all,</sup> ~~that means that this year,~~ almost half the nation's precollege math and science teachers will receive some federally-funded training <sup>in the coming fiscal years.</sup> *Scully*

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

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

*BAND*

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.))

I WANT TO PAY MY RESPECTS TO CONGRESSMEN JIMMY  
DUNCAN, JIMMY QUILLEN, AND DON SUNDQUIST. A QUICK  
THANK YOU TO THE PEOPLE AT THE KNOXVILLE CHAMBER OF  
COMMERCE WHO HELPED PULL THIS EVENT TOGETHER: LARRY  
MARTIN, JACK HAMMONTREE, AND SUSAN SHAY. AND I'M  
PLEASED THAT JOHN WATERS OF THE T.V.A. COULD JOIN US  
TODAY.

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 ECONOMICALLY 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. 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 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.

BUT MAKE NO MISTAKE: GOVERNMENT HAS NO BUSINESS SETTING AN INDUSTRIAL POLICY, PICKING WINNERS AND LOSERS AND PROTECTING FAVORED INDUSTRIES FROM MARKET FORCES. THE LIGHTNING 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.

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

**BAND**

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.

Sen. Howard Baker

Susan Shaw

Larry Martin, Chairman Knoxville CoC

Jack Hammonree, Knoxville CoC President

Thanks for helping

John Waters,  
Director TN Valley  
Authority

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 MESSAGE TO THE REST OF THE COUNTRY.

WORKING WITH THE NATION'S GOVERNORS, SECRETARY 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.

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, 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 PUBLIC-PRIVATE AGREEMENTS ACTIVE TODAY. 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. IN FACT, COORS HAS DECIDED TO LOCATE IN THIS AREA, TO BE NEAR THE SCIENTISTS AND FACILITIES AT OAK RIDGE. COORS JOINS MORE THAN 20 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 LIGHTNING 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.

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.

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 MESSAGE TO THE REST OF THE COUNTRY.

WORKING WITH THE NATION'S GOVERNORS, SECRETARY 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.

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, 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 PUBLIC-PRIVATE AGREEMENTS ACTIVE TODAY. 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. IN FACT, COORS HAS DECIDED TO LOCATE IN THIS AREA, TO BE NEAR THE SCIENTISTS AND FACILITIES AT OAK RIDGE. COORS JOINS MORE THAN 20 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 LIGHTNING 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 FOR LEADERSHIP. 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.

# # # #

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.

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 MESSAGE TO THE REST OF THE COUNTRY.

WORKING WITH THE NATION'S GOVERNORS, SECRETARY 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.

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, 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 PUBLIC-PRIVATE AGREEMENTS ACTIVE TODAY. 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. IN FACT, COORS HAS DECIDED TO LOCATE IN THIS AREA, TO BE NEAR THE SCIENTISTS AND FACILITIES AT OAK RIDGE. COORS JOINS MORE THAN 20 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 LIGHTNING 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 FOR LEADERSHIP. 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.

# # # #

ished former  
and you talk  
at job for his

ict of a very  
n, Marilyn  
But I want  
I work very  
smen Jimmy  
Jimmy Dun-  
here on the  
velpiece, the  
Joe Coors,  
ors structural  
e a ceramic  
if this fails,  
r. [Laughter]

ie that I hope  
Nation. This  
itness, com-  
s of Govern-  
entiveness of  
pointing our  
ican century.  
any of Amer-  
ed in winning  
I will free up  
ntrate on the  
proving pro-  
r long-term  
he arsenal of  
of economic  
right kind of  
n making for  
mic competi-  
st in an area  
orld, and I'm  
ll know a lot  
at.

more of these  
ork for the  
beyond. And  
the obstacles  
nology from  
private enter-  
signed a bill  
ke advantage  
here are 675  
t are active

er one. Coors  
k Ridge Na-

tional Lab are going to attack one of the obstacles to wider use of durable, efficient, and lightweight ceramic parts: machining ceramics without destroying their desirable qualities. Oak Ridge's high temperature materials lab, a world-class advanced materials testing facility, will be working with American industry to take the world lead in making precision ceramic parts. Ceramic parts will be vital to the longer lasting and more efficient engines of the future. And we're in a race with other nations for this multibillion dollar market, and we will get there first with the best products, thanks to the hard work of people right here, the imagination of these scientists.

And let me make this clear to the rest of the country, something that you all know, getting there first, in this regard, means jobs, American jobs. Now, Coors moved here 2 years ago precisely to take advantage of the expertise and high-tech facilities here at Oak Ridge. And that means 85 new jobs here because of this partnership. And this is just one of the 25 cooperative agreements at this lab alone.

One of the reasons I'm here is to help get the message out. Our national technology initiative, which Admiral Watkins is spearheading and helping us spearhead, is bringing Government officials together with private businesses to let them know what Government can offer in technology. We must move these developments out of the laboratory and into the marketplace, and create more American jobs. And that's what this is about.

I'm very, very pleased to be here with you all today. So, without further ado, I'll be pleased to witness the signing of the agreement. I believe that's going to take place. Here it is. Thank you all very much.

*Note: The President spoke at 10:52 a.m. at the Oak Ridge National Laboratory. Alvin Trivelpiece, Director of the Laboratory, and Joe Coors, Jr., president and chairman of Coors Ceramics Co., signed the cooperative research and development agreement.*

### Remarks to Community and Business Leaders in Knoxville, Tennessee

February 19, 1992

Thank you very, very much for that welcome. Please—thank you for such a warm welcome back. And thank you, Senator Baker, my esteemed friend, for that overly generous introduction.

May I extend my greetings to another longtime friend, Mayor Victor Ashe, who is doing a great job here in this community, and to thank all of the other Knoxville community leaders here today. And I'm not sure that that description includes the marvelous music we've had, but my thanks to those from the Vols over here who provided some upbeat sounds. And I also want to single out with great pride two Cabinet members who are with me here today: First, our Secretary of Energy, Jim Watkins, doing a superb job, with us over here, Jim; and then, of course, one that you all know so well, Lamar Alexander, our Secretary of Education.

You may know that Lamar, as part of his mission to promote lifetime learning, in keeping with one of our education goals, one is never too old to learn, convinced me to learn how to use a computer. It really paid off. I can now make typographical errors twice as fast as I used to on the typewriter.

And may I also single out three Members of the Tennessee congressional delegation, Jimmy Duncan, Jimmy Quillen, and Don Sundquist, all three doing a fantastic job for us in Washington. And a very heartfelt thanks, quick thanks, to the people at the Knoxville Chamber of Commerce who helped pull this magnificent event together, Larry Martin and Jack Hammontree and Susan Shay. And I'm pleased that John Waters of the TVA could join us here today.

I feel very much at home, and I'm delighted to be here. And Tennessee is a State with a special significance for me. After all, it's the Volunteer State. And during Operation Desert Storm you proved it all over again. So let me take this opportunity, thinking back a year just almost from this minute,

when the ground war started, 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 and served this country with such distinction.

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

We stand today at what I think most people would agree is 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 commonsense 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 have asked the Congress to pass this plan by March 20th. You may have heard about other tax plans floated up on Capitol Hill. The House Democrats are offering 25 cents a day, literally, in income tax relief in exchange for cuts in Medicare, student loans, farm payments, and true to form, a large, permanent tax increase. That plan will deepen the deficit by \$30 billion and cost jobs as well. That is a lose-lose proposition if ever there was one. Here in Knoxville, let me again remind the United States Congress: We are a month and a day away from the

*Feb. 19 / Administration of George Bush, 1992*

deadline. Help your country. Put politics aside for just those 31 days that it takes. No more games. Pass our plan and get this economy moving again all across the country.

But 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. For 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 that the rest of the world just goes away. Well, don't be fooled by the tough talk and the 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 that I see for the United States of America. The America of the future must embrace challenges, not cut and run. It must put 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 economically abroad. Now, our leadership ensures markets for American products and jobs for American workers. And 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; it is 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 3 years, my administration has been laying the foundation for America's continued leadership. We've 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 Governor and U.T. president, Lamar Alexander. He's on the cutting edge. He's out front in trying to revolutionize the schools in this country. Through our America 2000 education strategy, we're getting that education message to the rest of the country.

Working with the Nation's Governors, Secretary Alexander and I set six ambitious education goals, done on a bipartisan basis, wasn't Republican, Democrat, liberal, conservative. The Governors came together under Lamar's leadership, and we came up with these goals. And one of the most important ones was this: By the year 2000, American students will be first in the world in math and science.

The budget that 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 3 years for programs at the precollege level. Just 2 years ago, when I was last here in your wonderful city, 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 our 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 nineties.

It will take the right kind of investments, the kind we've been making for years, for 3 years. And these have been tough decisions. This year, I've asked for a freeze on discretionary domestic spending—got to do that for the overall budget—which means that any increases have to be the result of hard thinking about priorities. Well, 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. And I've asked for a record investment in R&D, \$76 billion next year alone.

Now, 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 1,000 times more powerful than today's computer. And such a system will forecast droughts and hurricanes, design better aircraft, 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. Some of you unintelligent drivers beware; you may be replaced.

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. Now, this research can pay dividends undreamed of just a few years ago, not only in health care but in manufacturing, energy, and in 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. Well, 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. And 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. And just over, I think it was 2 years ago, I signed a bill that allows private industry to take competitive advantage of Government research.

There are 675 public-private agreements active today. In fact, I had a great morning. I just witnessed another one out at Oak Ridge this morning. The Coors Structural Ceramics Company and Oak Ridge will be perfecting a new ceramic material that's tougher than steel. In fact, Coors has decided to locate in this area to be near the scientists and facilities at Oak Ridge. And in doing that, Coors joins more than 20 other companies that have moved to your area for the same reason. And 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 what's known as an industrial policy, where you pick winners and losers and protect favorite industries from market forces, no business doing that. The lightning pace of today's economy is too quick. It's 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, it encourages efficiency, and it rewards innovation.

That's why for 3 years we've tried to encourage private venture capital. You know, America taxes capital gains at a rate higher than any of our world competitors. And yet the same pessimists who complain we can't compete still stand in the way of lower capital gains taxes. So, let's put an end to that self-defeating nonsense. Congress must lower that capital gains tax to create jobs, and the time to lower it is right 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, very, very fortunate to be President of the United States at an exciting time in our country's marvelous history. The world still looks to this great country for leadership. And we have so much to be grateful for, and I am proud to serve as your President.

May God bless you, and God bless the United States of America. Thank you very, very much.

*Note: The President spoke at 12:06 p.m. at the Knoxville Auditorium-Coliseum. In his remarks, he referred to former Senator Howard Baker; John B. Waters, member of the Board of Directors of the Tennessee Valley Authority; and Jack Hammontree, president, Larry Martin, chairman, and Susan Shay, member of the board of directors of the Knoxville Chamber of Commerce.*

Administr

Remark  
African  
Februar

Welco  
you all ve  
ists and  
Black Hi  
and I w  
over he:  
And nex  
resentat.  
Players .  
all. Welc

And t  
of our C  
let me  
you in c  
Month.  
special  
in a mi  
sar, rigl

Dr.  
produc  
Americ  
she bu  
freedo:  
Caged  
studen  
courag

And  
Ameri  
award-  
to cel  
fine e  
Gram  
long "  
song  
words  
the fa  
the h

Afr  
reflec  
dies,  
mem.  
stop  
guar  
rienc  
To  
fined  
they  
civil  
puts

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.

band?

((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.))

50/50

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  
venture 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 <sup>ECONOMICALLY</sup> 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 <sup>EDUCATION</sup> MESSAGE TO THE REST OF THE COUNTRY.

WORKING WITH THE NATION'S GOVERNORS, SECRETARY *Byrd* *Porter* *Senior* 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.

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, 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 PUBLIC-PRIVATE AGREEMENTS ACTIVE TODAY. 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. IN FACT, COORS HAS DECIDED TO LOCATE IN THIS AREA, TO BE NEAR THE SCIENTISTS AND FACILITIES AT OAK RIDGE. COORS JOINS MORE THAN 20 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 LIGHTNING 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.**

*fast  
check*

*A*

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 FOR LEADERSHIP. 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.

# # # #