

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: 13610
Folder ID Number: 13610-007

Folder Title:

American Society of Association Executives 3/11/92 [OA 6099] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	26	17	7	4

March 10, 1992

To Dave Demarest

From Steve Hart

Re: Nick Calio's editis -- Association Executives Speech

Page 5... Once you get through all the tax-break-for-the-rich demagoguery, captial gains affects real people. When you have a couple who have invested and saved and worked for forty years, and they sell their business, their farm, or their house, why should the federal government take all their profit? Most economists agree that reducing the tax on investments would create jobs and stimulate greater economic activity.

Page 9 -- delete the National Broccoli Week joke, it completely breaks the mood.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/10/92 ACTION/CONCURRENCE/COMMENT DUE BY: ---

SUBJECT: PRESIDENTIAL REMARKS: AMERICAN SOCIETY OF ASSOC. EXECUTIVES
WEDNESDAY, MARCH 11

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input checked="" 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 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"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			KAUFMAN		<input checked="" type="checkbox"/>
			MCGROARTY		<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

March 10, 1992

02 MAR 10 P1:53

MEMORANDUM FOR THE PRESIDENT

FROM: DAVE DEMAREST *DD*

SUBJECT: SPEECH TO AMERICAN SOCIETY OF ASSOCIATION
EXECUTIVES

Tomorrow, at 1:45 p.m., you will deliver remarks (22 minutes/teleprompted) to 2,200 of the American Society of Association Executives at the Washington Convention Center. You will be introduced by Chairman Gene Fondren.

Your remarks praise the represented associations for their positive role in society -- specifically their contributions as volunteers. You touch on Americans lower levels of confidence in their future, then delve into possible explanations -- the economy, the media, the politics of partisanship. You focus on the bloat and breakdown of the federal government as largely responsible for a loss in confidence. You highlight reform initiatives promoted by this administration, and urge all to get involved in reinventing government.

(Demarest)
March 8, 1992
Draft Two
ASAE

PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES
MARCH 11, 1992
WASHINGTON, D.C.
1:45 P.M.

Chairman Fondren, my fellow Texan, thank you for that introduction. President Taylor. I heard a story about how when LBJ moved from the House to the Senate, Jake Pickle and Gene Fondren, then Texas state legislators, flipped a coin to decide who'd run for office and go to Washington. Well, Congressman Pickle's been calling for a rematch ever since.

Robert Frost once wrote that "an idea is a feat of association." Well, association is an idea as old as the American Dream itself. Actually, Toqueville over 150 years ago had much to say about you. He said, "at the head of some new undertaking ... in the United States you will be sure to find an association." Since that time associations have played a vital role in our country's progress, and they continue that mission today, defining new frontiers and exploring new territory.

Before I spoke, President Taylor presented the Associations Advance America Awards to salute those who've found a way to help, to be in fact, points of light. We hear a too often about what's wrong in America. Well, this is what's right in America, and I salute you for what you are doing to help your communities.

Of course, it's an election year. Independent of the current preoccupation with the hype and spin of the campaigns, there will remain the issues, the big things -- the core concerns of every American -- jobs, family, peace. They hold us together as a society. They are more than issues we bring to the next election -- they are the legacy we must give to the next generation.

That is what I want to talk to you about today -- not just the issues, but our mood as a nation, and how our government must reform if we are to change America.

Today, weighing most heavily in the hearts and on the minds of Americans is the state of the economy -- jobs -- preserving jobs, creating jobs. You in this very room know best virtually every industry and every profession in America. I don't have to tell you that people are worried about the future.

Frankly, we've had tough economic times before, with higher unemployment -- but less national alarm. There's something different about today's times -- something that touches a nerve. It strikes at the heart of what drives this country forward -- our confidence. It challenges our belief in ourselves.

I'll give it to you straight: Unemployment is 7.3% -- about 9 million people out of a total workforce of 126 million. During the 1982 recession, unemployment hit almost 11% -- a level not experienced since the Great Depression. So we ask ourselves -- why is confidence today lower than at the depth of the 1982 recession?

I've heard a lot of theories. Some say the talking heads of the media are the problem -- always running the country down. [You've heard the saying "no news is good news?" Well, the joke is that for the media, "Good news is no news."]

Others say it's the politicians. I myself have noted that in a political year candidates often shower the voters with a message so bleak and hopeless -- at the same time they promise the rainbow if they're elected. That steady drizzle on the people's shoulders can wear away confidence, and wash away hope. So it's easy to suppose that the constant drumbeat about what's wrong in America is a self-fulfilling prophecy.

There may be some truth to that. But I think there are other reasons for our country's mood. People are feeling the way they do because America's got some real problems -- serious, stubborn, national problems.

But I think it would be unfair and untrue to suggest to the American people that we can't overcome these problems -- to imply that America is a country in decline. So today I want to talk about what we must do to meet the economic challenge that is before us -- how we can build economic vitality into our communities -- how we must ensure that our children see a future that is an improvement over the present -- most importantly, why we must change the way we do business in Washington D.C.

Sometimes it helps to take some of these enormous issues and bring them down to the personal level. So when I talk about America's economic problems this is what I mean:

They are the worries of parents who have worked all their lives to get the kids through college -- and those kids can't find work. They are found in discouraged families who can't afford to pay off anything but the interest on their credit cards, month after month after month. They are the doubts of young people who believe that times will never be as good for them as they were for their parents. These are the things that dim our hope and drain our confidence.

American workers can see that technology and competition are changing the workplace faster than ever before. They can feel the heat -- both at home and abroad. They know American industry is being challenged to keep up or step aside -- I'll talk further about that later in the week in Detroit, Michigan. We live in a competitive world, and people worry about our ability to compete.

American homeowners -- that's almost 70 million people -- worry that the biggest asset they will ever have -- their home -- will lose its worth because real estate values have declined. The same is true of any business, association, or charitable organization that owns property -- they're concerned too.

Finally, as I discussed earlier this week with the League of Cities, the deterioration of the American family is very serious -- a root problem with tremendous ramifications for our economic well-being as a nation.

But the picture is not all gloom and doom. America is now the only superpower in the world. Millions of immigrants still look to us as the land of opportunity -- because we are. And our

Finally, as I discussed earlier this week with the League of Cities, the deterioration of the American family is very serious -- a root problem with tremendous ramifications for our economic well-being as a nation.

But the picture is not all gloom and doom. Interest rates are at historic lows. Inventories are down. The trade deficit has plummeted and our exports are at record highs. I do believe that we are poised for recovery -- a recovery that will come sooner, and be stronger if we in government act now. As self-evident as the mandate for action may seem, we have not been able to muster the necessary political unity of purpose.

In January, I sent to the Congress a ^{plan} ~~plan~~ of action. It was a straightforward set of initiatives based upon tried and true economic realities. I proposed incentives for business to buy equipment, upgrade their plants, and start hiring again. I proposed a shot in the arm to get the housing industry back on its feet -- lead us into economic recovery. I proposed a tax cut

on capital gains. Once you get through all the tax-break-for-the-rich demagoguery, ^{capital gains affects real people. When you have a couple,} ~~most~~ ^{most} economists agree ~~such a measure~~ ^{that reducing the tax on investment} would create jobs and stimulate greater economic activity.

Then I offered a broader plan of action to keep us competitive and economically vigorous in the years ahead:

1) Education reform to bring the skills of our future workers up to a standard of excellence. 2) Reform of our legal system so that Americans can spend more time innovating and less time litigating. 3) Health care reform to provide universal

and worked that's invested and saved for forty years, and they sell their business, their farm or their house. Why should the federal government take

American goods and services. 7) Record federal support in research and development to keep our nation on the cutting edge of new technologies.

Big issues. Big challenges. This is the plan I proposed - and I set a deadline for the Congress to act. The Congress didn't like the notion of a deadline. And while the Congress didn't have a comprehensive plan of its own, it is doubtful that it will enact the plan I proposed. Instead, with great and earnest deliberation, the Congress is fixated with how much more to tax the American people. They would hike taxes by 100 billion dollars.

Imagine: giving the Congress more taxpayer money to spend. Why add to the billions already spent on big government programs -- does anyone believe that more spending money for the Congress is the answer? Does anyone believe that this money will be more wisely spent than the trillion and a half dollars spent now?

The last thing this economy needs now is a tax increase. Any economist worth his salt will tell you that. But this is not new. Congress routinely refuses to take action to stimulate the economy -- but insists on job destroying tax increases. I believe Congress is incapable of passing my economic action plan -- or a plan of their own. They are incapable of meeting my March 20 deadline -- or any other deadline, for that matter. Let me tell you why.

Everyone knows that government is too big and spends too much. Everyone knows that. And there's something else everyone

knows: too often the government spends the money of its customer, the American taxpayer, the wrong way -- inefficiently, ineffectively, without accountability, and frankly, without compassion.

When Americans think about their government what often comes to mind is the latest scandal involving their money. Today, we are cleaning up the Savings and Loan scandal. Jack Kemp deserves a lot of credit for straightening out the abuses in our public housing system. Dick Cheney launched the Ill Wind investigation at the Defense Department and made the necessary reforms in defense procurement. But to the taxpayer, these issues, like the latest scandal with the House bank, just reinforce the notion that the government is more the problem than the solution.

This is all part of why confidence in America's future is under siege. Many people have already lost confidence in government. There is irony here. Americans are a compassionate people -- willing to foot the bill to help make this country better. But there is an extraordinary mismatch between their willingness to help and their skepticism that government actually will use their hard earned tax dollars and get results. My apologies to David Osborne for borrowing his phrase, but it is truly time to reinvent government.

This is no slight to the four million hard-working people who work for the federal government. But the fact is that they work in a system that was good for its time, but now must change and change radically. I know that government can't run like a

business -- but we can improve its performance. Right now, within the halls of these giant centralized bureaucracies, it is almost impossible to reward success, much less punish failure.

Because government forgets the customer, it issues counter-productive regulations. It shelters perpetual programs that have outlived their function but not their funding. But this kind of government doesn't just happen. It is the Congress that creates these bureaucracies, lays down the mandates, funds the programs. Then, it is the Congress that protects them, harasses them, investigates them, micro-manages them. With a Congressional subcommittee Chairman as godparent, they become stepchildren of the Congress.

This is not to criticize all people serving in Congress. I served there and I know many fine people on both sides of the aisle serve there now -- decent, hard-working, patriotic Americans. The problem isn't the people, it's the system. And the system must change.

The people on Capitol Hill are victims of an unaccountable, inefficient, and ineffective system of their own making as well: 284 committees, 35,000 staff members, over 2 billion dollars of taxpayer money, and a web of special interest influence and money. This is not a system that can promote reform and change. Rather, it promotes the status quo. Over the years, this has piled up to create a Congress that is out of touch. Gridlocked. Paralyzed. A Congress totally and utterly incapable of addressing the central issues of our time.

How many people in this room -- people who work with the Congress every day -- haven't had a private conversation with a Senator or Congressman and heard exactly the same thing?

There's nothing wrong with the Congress passing a proclamation heralding "Crime Victims Week", but that's no substitute for a comprehensive crime bill that actually does something to make people safer in their communities. They may pass "National Asparagus Month", but the problem in American agriculture is our national vitality not our national vegetable.

*That com-
pletely
breaks the
mood.*

~~(Haven't seen "National Broccoli Week" -- could have some trouble signing that one).~~ For every one of these bills there is staff assigned, paper processed, constituents contacted, newsletters written, taxpayer money spent. Nearly one third of all the legislation that reaches my desk is like this. Much of what's left simply keeps the basic machine of government running. The focus is clearly not on addressing new challenges.

This all may sound like simply an election year blast at a Congress controlled by the other party. But it's not. We need a new way of looking at things. The gap between private sector efficiency and government's ineptness has become a chasm. I have made proposals to reform government -- proposals to bring back responsibility and accountability to a system answerable to no one but itself. They are based on some fundamental principles. Rely on what works. When possible, decentralize. Institute choice to force competition into the system. Give people more power to make the big decision in their lives. Make the system

Congress to Washington next November. In the meantime I will act on my own in the interests of the American people.

I drew a line in the sand a little over a year ago in the Persian Gulf. I kept my word then and we liberated Kuwait. I have drawn a line in the sand once again -- here in our own backyard. I will keep my word again and if we all do our part we can ensure that our economy, and our government gets back on the right track.

Thank you. And God bless you for all the good work you do.

#

Scowcroft
Boothleg

(Demarest)
March 8, 1992
Draft One
ASAE

92 MAR 10 11:04 92 MAR 9 P6:40

PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES
MARCH 11, 1992
WASHINGTON, D.C.
1:15 P.M.

Chairman Fondren, my fellow Texan, thank you for that introduction. President Taylor. [acknowledgements] I heard a story about how when LBJ moved from the House to the Senate, Jake Pickle and Gene Fondren, then Texas state legislators, flipped a coin to decide who'd run for office and go to Washington. Well, Congressman Pickle's been calling for a rematch ever since.

Robert Frost once wrote that "an idea is a feat of association." Well, association is an idea as old as the American Dream itself. [[Maybe older. I heard that Art Buchwald once said that "the first reported case of an association making a blunder occurred in the Bible, when an association executive overbooked the inn at a carpenter's convention in Bethlehem. The rest is history."]]

Actually, ~~AA~~ Toqueville 150 years ago had much to say about the value of associations. [] Associations have long played a vital role in our country's progress, and they continue that mission today, defining new frontiers and exploring new territory. In fact, the ASAE has answered my call to become a point of light.

10 "de"
in this
context.

Before I spoke, President Taylor presented the Association's Advance America Awards to salute those who've found a way to help. We hear a too often about what's wrong about America. Well, this is what's right in America, and I salute you and your members for what you are doing to help your communities.

Of course, it's an election year. Regardless of the current preoccupation with the hype and spin of the campaigns, there will remain the issues, the big things -- the core concerns of every American -- jobs -- family -- peace. These are more than the issues we bring to the next election -- they are the legacy we must give to the next generation.

Today, weighing most heavily in the hearts and on the minds of Americans is the state of the economy -- jobs -- preserving jobs, creating jobs. In this very room are representatives of virtually every industry and every profession in America. I don't have to tell you that people are worried about the future.

Frankly, we've had tough economic times before, with higher unemployment -- but less national alarm. There's something different about today's times -- something that touches a nerve. It strikes at the heart of what drives this country forward -- our confidence. Our belief in ourselves. Our hopes for our future.

I'll give it to you straight: Unemployment is roughly seven-plus per cent - about 9 million people out of a total workforce of 126 million. During the 1982 recession, unemployment hit almost 11% -- a level not experienced since the Great Depression.

So we ask ourselves -- why is confidence today lower than at the depth of the 1982 recession?

I've heard a lot of theories. Some say the talking heads of the media are the problem -- always running the country down. [You've heard the saying "no news is good news?" Well, the joke is that for the media, "Good news is no news."]

Others say ^{its} _^ the politicians. I myself have noted that in a political year candidates often shower the voters with a message so bleak and hopeless -- at the same time they promise the rainbow if they're elected. That steady drizzle on the people's shoulders can wear away confidence, and wash away hope. So it's easy to suppose that the constant drumbeat about what's wrong in America is a self-fulfilling prophecy.

There may be some truth to that. But I think there are other reasons for our country's ^{mood} [lack of confidence]. People are feeling the way they do because America's got some real problems -- serious, stubborn, national problems.

But I think it would be unfair and untrue to suggest to the American people that we can't overcome these problems -- to imply that America is a country in decline. So today I want to talk about what we must do to meet the economic challenge that is before us -- how we can build economic vitality into our communities -- how we must ensure that our children see a future that is an improvement over the present --and most importantly, why we must change the way we do business in Washington D.C.

Sometimes it helps to take some of these enormous issues and bring them down to the personal level. So when I talk about America's economic problems this is what I mean:

They are the worries of parents who have worked all their lives to get the kids through college -- and those kids can't find work. They are found in discouraged families who can't afford to pay off anything but the interest on their credit cards, month after month after month. They are the doubts of young people who believe that times will never be as good for them as they were for their parents. These are the things that dim our hope and drain our confidence.

American workers can see that technology and competition are changing the workplace faster than ever before. They can feel the heat -- both at home and abroad. They know American industry is being challenged to keep up or step aside -- I'll talk further about that later in the week in Detroit, Michigan. But whether it's Detroit or Denver, when workers see the company downsizing, they wonder who will be the first to go. And in these tough economic times one out of every [XX] Americans knows someone who's been out of a job at some time in the last year. No wonder people are worried.

American homeowners -- that's almost 70 million people -- worry that the biggest asset they will ever have -- their home -- will lose its worth because real estate values are sliding. The same is true of any business, association, or charitable organization that owns property -- they're concerned too.

Finally, as I discussed earlier this week with the League of Cities, the deterioration of the American family is very serious -- a root problem with tremendous ramifications for our economic well-being as a nation.

But the picture is not all gloom and doom. Interest rates are at historic lows. Inventories are down. The trade deficit has plummeted and our exports are at record highs. I do believe that we are poised for recovery -- a recovery that will come sooner, and be stronger if we in government act now. As self-evident as the mandate for action may seem, we have not been able to muster the necessary political unity of purpose.

In January, I sent to the Congress a plan of action. It was a straightforward set of initiatives based upon tried and true economic realities. I proposed incentives for business to buy equipment, upgrade their plants, and start hiring again. I proposed a shot in the arm to get the housing industry back on its feet -- lead us into economic recovery. I proposed a tax cut on capital gains. Once you get through all the tax-break-for-the-rich demagoguery, most economists agree such a measure would create jobs and stimulate greater economic activity.

Then I offered a broader plan of action to keep us competitive and economically vigorous in the years ahead:

- 1) Education reform to bring the skills of our future workers up to a standard of excellence.
- 2) Reform of our legal system so that Americans can spend more time innovating and less time litigating.
- 3) Health care reform to provide universal

access to the best quality care in the world. 4) Welfare reform to break this sorry cycle of dependency that's become a way of life in many of our cities. 5) Tangible support to strengthen the family -- a \$500 increase in the tax deduction for children. 6) A trade policy that demands foreign markets open up to high-quality American goods and services. 7) Record federal support in research and development to keep our nation on the cutting edge of new technologies.

Big issues. Big challenges. This is the plan I proposed - and I set a deadline for the Congress to act. The Congress didn't like the notion of a deadline. And while the Congress didn't have a comprehensive plan of its own, it is doubtful that it will enact the plan I proposed. Instead, with great and earnest deliberation, the Congress is fixated with how much more to tax the American people. The cost of their proposed tax hikes range from sixty to one hundred billion dollars.

Imagine: giving the Congress more taxpayer money to spend. From Lawrence Welk Museums and studies on the Hatfield-McCoy feud to the billions wasted on big government programs that were proved ineffective years ago -- does anyone believe that more money for the Congress to spend is the answer? Does anyone believe that this money will be more wisely spent than the trillion and a half dollars that the Congress spends now?

My point is not to say one more time that the last thing this economy needs now is a tax increase. Any economist worth his salt will tell you that. No, today I want to make a

different point. One that goes to the heart of why the Congress refuses to take action to stimulate the economy -- but insists on job destroying tax increases. My point goes to the heart of why the Congress is incapable of passing my comprehensive economic growth plan -- or a plan of their own -- by my March 20 deadline -- or any other deadline, for that matter.

I have said on many occasions that government is too big and spends too much. Everyone knows that. And underlying that point is something else everyone agrees on: too often the government spends the money of its customer -- the American taxpayer -- inefficiently, ineffectively, without compassion, and without accountability.

When Americans think about their government what often comes to mind is the latest scandal involving their money. Today, we are cleaning up the Savings and Loan scandal. Jack Kemp deserves a lot of credit for straightening out the abuses in our public housing system. And Dick Cheney has taken the Ill Wind investigation at the Defense Department and made the necessary reforms in defense procurement. But to the taxpayer, these issues just reinforce the notion that the government just can't work any better.

This is all part of why people lack confidence in America's future. They have already lost confidence in its government. There is irony here. Americans are a compassionate people -- willing to foot the bill to help make this country better. But there is an extraordinary mismatch between their willingness to

help and their confidence in government actually using their hard earned tax dollars to get results. My apologies for coining a phrase now in popular jargon, but it is truly time to reinvent government.

I do not mean to slight in any way the three million hard-working people who work for the federal government. But the fact of the matter is that they work in a system that was good for its time, but now must change and change radically. I know that government can't run like a business -- but we can improve its performance. Right now, within the halls of these giant centralized bureaucracies, it is almost impossible to reward success, much less punish failure.

Because government has forgotten the customer, it issues counter-productive regulations. There are perpetual programs that have outlived their function but not their funding. And they are run within rigid, stultifying bureaucracies.

But this kind of government doesn't just happen. It is the Congress that lays down the mandates, funds the programs, creates these bureaucracies. And then it is the Congress that protects them, harasses them, investigates them, micro-manages them. They become stepchildren of the Congress, with a Congressional subcommittee Chairman in the role of godparent.

This is not to criticize the people serving today in Congress. I served in the Congress in twenty-five years ago with some of the finest individuals I ever known -- some are still there now -- Sonny Montgomery, Bob Michel, John Paul

Hammerschmidt among others. And the newer members today -- many fine people on both sides of the aisle -- decent, hard-working, patriotic. The problem isn't the people, it's the system. And the system must change.

The good people on Capitol Hill are victims of an unaccountable, inefficient, and ineffective system of their own making as well: 284 subcommittees, 35,000 staff members, 2 billion dollars of taxpayer money, a web of special interest influence and money -- with members re-election a virtual certainty. This is not a system that can promote reform and change. Rather, over the years, all this has piled up to create a Congress that is gridlocked. Paralyzed. Out of touch. A Congress totally and utterly incapable of addressing the central issues of our time.

How many people in this room -- people who work with the Congress every day -- haven't had a private conversation with a Senator or Congressman and heard exactly the same thing?

There's nothing wrong with the Congress passing a proclamation heralding "Crime Victims Week", but that's no substitute for a comprehensive crime bill that will actually do something to make people safer in their communities. There's nothing wrong with "National Asparagus Week", but the problem in American agriculture is our national vitality not our national vegetable. (Haven't seen "National Broccoli Week" -- could have some trouble signing that one). For every one of these bills there is staff assigned, paper processed, constituents contacted,

newsletters written, taxpayer money spent. Fully one third of all the legislation that reaches my desk is [stuff] like this. Another _____ is legislation just to keep the government in business. The focus is clearly not on addressing the new challenges, is it?

This all may sound like simply an election year blast at a Congress controlled by the other party. But it's not. The problem is not necessarily divided government. Ike had to deal with a Democratic Congress in the fifties. But when the big issues came to a head -- President Eisenhower and the Congress were able to meet those challenges as Americans first, partisans second.

We need a new way of looking at things. That gap between private sector efficiency and government's ineptness has become a chasm. I have made proposals to reform government -- proposals to bring back responsibility and accountability to a system answerable to no one but itself. These proposals are based on some fundamental principles. Rely on what works. Whenever possible, decentralize. Institute choice to force competition into the system. Make the system accountable. Understand the new realities of America's global position -- that we must do what makes us more competitive.

I have also called for the Congress to stop exempting itself from the laws it imposes on everyone else. I have called for Campaign Finance Reform to break the influence of special

interest groups. I have talked about term limits for members of Congress.

Chairman Fondren once said that "Leadership...requires forthrightness. Hidden agendas rarely, if ever, lead to progress and very often succeed in spoiling the brew." I've never been very good at hiding my agenda, and I'm not about to start trying now.

For four years, my agenda has been to create jobs, protect the family, and promote world peace. Too many times I ran up against a wall -- a partisan guard more determined to take sides than to take this country forward. March 20 will be an historic watershed in American politics. If the Congress enacts my action plan on the economy by then, the real beneficiaries will not be me, or my re-election, nor the Congress. The real beneficiaries will be the American people who will regain the confidence that they have lost in the ability of Washington to act in their best interest.

If the Congress cannot act, or if it sends to me a bill it knows today I cannot and will not sign, I will take this message to the American people: the problem is Congress. Send a new Congress to Washington next November. In the meantime I will act on my own in the interests of the American people.

I drew a line in the sand a little over a year ago in the Persian Gulf. I kept my word then and tiny Kuwait is free. I have drawn a line in the sand once again -- here in our own

backyard. I will keep my word again and free this economy on behalf of the American people.

Thank you. And God bless you for all the good work you do.

#

Rollins Comments

02 MAR 9 P 6:40

(Demarest)
March 8, 1992
Draft One
ASAE

PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES
MARCH 11, 1992
WASHINGTON, D.C.
1:15 P.M.

92 MAR 10 AM 11:30

Chairman Fondren, my fellow Texan, thank you for that introduction. President Taylor. [acknowledgements] I heard a story about how when LBJ moved from the House to the Senate, Jake Pickle and Gene Fondren, then Texas state legislators, flipped a coin to decide who'd run for office and go to Washington. Well, Congressman Pickle's been calling for a rematch ever since.

Robert Frost once wrote that "an idea is a feat of association." Well, association is an idea as old as the American Dream itself. [[Maybe older. I heard that Art Buchwald once said that "the first reported case of an association making a blunder occurred in the Bible, when an association executive overbooked the inn at a carpenter's convention in Bethlehem. The rest is history."]]

Actually, deToqueville 150 years ago had much to say about the value of associations. [] Associations have long played a vital role in our country's progress, and they continue that mission today, defining new frontiers and exploring new territory. In fact, the ASAE has answered my call to become a point of light.

Before I spoke, President Taylor presented the Association's Advance America Awards to salute those who've found a way to help. We hear all too often about what's wrong about America. Well, this is what's right in America, and I salute you and your members for what you are doing to help your communities.

Of course, it's an election year. Regardless of the current preoccupation with the hype and spin of the campaigns, there will remain the issues, the big things -- the core concerns of every American -- jobs -- family -- peace. These are more than the issues we bring to the next election -- they are the legacy we must give to the next generation.

Today, weighing most heavily in the hearts and on the minds of Americans is the state of the economy -- jobs -- preserving jobs, creating jobs. In this very room are representatives of virtually every industry and every profession in America. I don't have to tell you that people are worried about the future.

Frankly, we've had tough economic times before, with higher unemployment -- but less national alarm. There's something different about today's times -- something that touches a nerve. It strikes at the heart of what drives this country forward -- our confidence. Our belief in ourselves. Our hopes for our future.

f I'll give it to you straight: Unemployment is roughly seven-^{use exact figure} plus per cent - about 9 million people out of a total workforce of 126 million. During the 1982 recession, unemployment hit almost 11% -- a level not experienced since the Great Depression.

So we ask ourselves -- why is confidence today lower than at the depth of the 1982 recession?

I've heard a lot of theories. Some say the talking heads of the media are the problem -- always running the country down. [You've heard the saying "no news is good news?" Well, the joke is that for the media, "Good news is no news."]

Others say its the politicians. I myself have noted that in a political year candidates often shower the voters with a message so bleak and hopeless -- at the same time they promise the rainbow if they're elected. That steady drizzle on the people's shoulders can wear away confidence, and wash away hope. So it's easy to suppose that the constant drumbeat about what's wrong in America is a self-fulfilling prophecy.

There may be some truth to that. But I think there are other reasons for our country's lack of confidence. People are feeling the way they do because America's got some real problems -- serious, stubborn, national problems.

But I think it would be unfair and untrue to suggest to the American people that we can't overcome these problems -- to imply that America is a country in decline. So today I want to talk about what we must do to meet the economic challenge that is before us -- how we can build economic vitality into our communities -- how we must ensure that our children see a future that is an improvement over the present --and most importantly, why we must change the way we do business in Washington D.C.

Sometimes it helps to take some of these enormous issues and bring them down to the personal level. So when I talk about America's economic problems this is what I mean:

They are the worries of parents who have worked all their lives to get the kids through college -- and those kids can't find work. [They are found in discouraged families who can't afford to pay off anything but the interest on their credit cards, month after month after month.] They are the doubts of young people who believe that times will never be as good for them as they were for their parents. These are the things that dim our hope and drain our confidence.

American workers can see that technology and competition are changing the workplace faster than ever before. They can feel the heat -- both at home and abroad. They know American industry is being challenged to keep up or step aside -- I'll talk further about that later in the week in Detroit, Michigan. But whether it's Detroit or Denver, when workers see the company downsizing, they wonder who will be the first to go. And in these tough economic times one out of every [XX] Americans knows someone who's been out of a job at some time in the last year. No wonder people are worried.

American homeowners -- that's almost 70 million people -- worry that the biggest asset they will ever have -- their home -- will lose its worth because real estate values are sliding. The same is true of any business, association, or charitable organization that owns property -- they're concerned too.

Use
different
example
to get away
from highlighting
credit rates

Finally, as I discussed earlier this week with the League of Cities, the deterioration of the American family is very serious -- a root problem with tremendous ramifications for our economic well-being as a nation.

But the picture is not all gloom and doom. Interest rates are at historic lows. Inventories are down. The trade deficit has plummeted and our exports are at record highs. I do believe that we are poised for recovery -- a recovery that will come sooner, and be stronger if we in government act now. As self-evident as the mandate for action may seem, we have not been able to muster the necessary political unity of purpose.

In January, I sent to the Congress a plan of action. It was a straightforward set of initiatives based upon tried and true economic realities. I proposed incentives for business to buy equipment, upgrade their plants, and start hiring again. I proposed a shot in the arm to get the housing industry back on its feet -- lead us into economic recovery. I proposed a tax cut on capital gains. Once you get through all the tax-break-for-the-rich demagoguery, most economists agree such a measure would create jobs and stimulate greater economic activity.

Then I offered a broader plan of action to keep us competitive and economically vigorous in the years ahead:

- 1) Education reform to bring the skills of our future workers up to a standard of excellence.
- 2) Reform of our legal system so that Americans can spend more time innovating and less time litigating.
- 3) Health care reform to provide universal

*Strange
Transition*

access to the best quality care in the world. 4) Welfare reform to break this sorry cycle of dependency that's become a way of life in many of our cities. 5) Tangible support to strengthen the family -- [a \$500 increase in the tax deduction for children.] 6) A trade policy that demands foreign markets open up to high-quality American goods and services. 7) Record federal support in research and development to keep our nation on the cutting edge of new technologies.

Not tangible support to strengthen family

Big issues. Big challenges. This is the plan I proposed - and I set a deadline for the Congress to act. The Congress didn't like the notion of a deadline. And while the Congress didn't have a comprehensive plan of its own, it is doubtful that it will enact the plan I proposed. Instead, with great and earnest deliberation, the Congress is fixated with how much more to tax the American people. The cost of their proposed tax hikes range from sixty to one hundred billion dollars.

Imagine: giving the Congress more taxpayer money to spend. From Lawrence Welk Museums and studies on the Hatfield-McCoy feud to the billions wasted on big government programs that were proved ineffective years ago -- does anyone believe that more money for the Congress to spend is the answer? Does anyone believe that this money will be more wisely spent than the trillion and a half dollars that the Congress spends now?

My point is not to say one more time that the last thing this economy needs now is a tax increase. Any economist worth his salt will tell you that. No, today I want to make a

different point. One that goes to the heart of why the Congress refuses to take action to stimulate the economy -- but insists on job destroying tax increases. My point goes to the heart of why the Congress is incapable of passing my comprehensive economic growth plan -- or a plan of their own -- by my March 20 deadline -- or any other deadline, for that matter.

I have said on many occasions that government is too big and spends too much. Everyone knows that. And underlying that point is something else everyone agrees on: too often the government spends the money of its customer -- the American taxpayer -- inefficiently, ineffectively, without compassion, and without accountability.

When Americans think about their government what often comes to mind is the latest scandal involving their money. Today, we are cleaning up the Savings and Loan scandal. Jack Kemp deserves a lot of credit for straightening out the abuses in our public housing system. And Dick Cheney has taken the Ill Wind investigation at the Defense Department and made the necessary reforms in defense procurement. But to the taxpayer, these issues just reinforce the notion that the government just can't work any better.

This is all part of why people lack confidence in America's future. They have already lost confidence in its government. There is irony here. Americans are a compassionate people -- willing to foot the bill to help make this country better. But there is an extraordinary mismatch between their willingness to

help and their confidence in government actually using their hard earned tax dollars to get results. My apologies for coining a phrase now in popular jargon, but it is truly time to reinvent government.

I do not mean to slight in any way the three million hard-working people who work for the federal government. But the fact of the matter is that they work in a system that was good for its time, but now must change and change radically. I know that government can't run like a business -- but we can improve its performance. Right now, within the halls of these giant centralized bureaucracies, it is almost impossible to reward success, much less punish failure.

Because government has forgotten the customer, it issues counter-productive regulations. There are perpetual programs that have outlived their function but not their funding. And they are run within rigid, stultifying bureaucracies.

But this kind of government doesn't just happen. It is the Congress that lays down the mandates, funds the programs, creates these bureaucracies. And then it is the Congress that protects them, harasses them, investigates them, micro-manages them. They become stepchildren of the Congress, with a Congressional subcommittee Chairman in the role of godparent.

This is not to criticize the people serving today in Congress. I served in the Congress in twenty-five years ago with some of the finest individuals I ever known -- some are still there now -- Sonny Montgomery, Bob Michel, John Paul

Hammerschmidt among others. And the newer members today -- many fine people on both sides of the aisle -- decent, hard-working, patriotic. The problem isn't the people, it's the system. And the system must change.

The good people on Capitol Hill are victims of an unaccountable, inefficient, and ineffective system of their own making as well: 284 subcommittees, 35,000 staff members, 2 billion dollars of taxpayer money, a web of special interest influence and money -- with members re-election a virtual certainty. This is not a system that can promote reform and change. Rather, over the years, all this has piled up to create a Congress that is gridlocked. Paralyzed. Out of touch. A Congress totally and utterly incapable of addressing the central issues of our time.

How many people in this room -- people who work with the Congress every day -- haven't had a private conversation with a Senator or Congressman and heard exactly the same thing?

There's nothing wrong with the Congress passing a proclamation heralding "Crime Victims Week", but that's no substitute for a comprehensive crime bill that will actually do something to make people safer in their communities. There's nothing wrong with "National Asparagus Week", but the problem in American agriculture is our national vitality not our national vegetable. (Haven't seen "National Broccoli Week" -- could have some trouble signing that one). For every one of these bills there is staff assigned, paper processed, constituents contacted,

newsletters written, taxpayer money spent. Fully one third of all the legislation that reaches my desk is stuff like this. Another _____ is legislation just to keep the government in business. The focus is clearly not on addressing the new challenges, is it?

This all may sound like simply an election year blast at a Congress controlled by the other party. But it's not. The problem is not necessarily divided government. Ike had to deal with a Democratic Congress in the fifties. But when the big issues came to a head -- President Eisenhower and the Congress were able to meet those challenges as Americans first, partisans second.

We need a new way of looking at things. That gap between private sector efficiency and government's ineptness has become a chasm. I have made proposals to reform government -- proposals to bring back responsibility and accountability to a system answerable to no one but itself. These proposals are based on some fundamental principles. Rely on what works. Whenever possible, decentralize. Institute choice to force competition into the system. Make the system accountable. Understand the new realities of America's global position -- that we must do what makes us more competitive.

I have also called for the Congress to stop exempting itself from the laws it imposes on everyone else. I have called for Campaign Finance Reform to break the influence of special

interest groups. I have talked about term limits for members of Congress.

Chairman Fondren once said that "Leadership...requires forthrightness. Hidden agendas rarely, if ever, lead to progress and very often succeed in spoiling the brew." I've never been very good at hiding my agenda, and I'm not about to start trying now.

For four years, my agenda has been to create jobs, protect the family, and promote world peace. Too many times I ran up against a wall -- a partisan guard more determined to take sides than to take this country forward. March 20 will be an historic watershed in American politics. If the Congress enacts my action plan on the economy by then, the real beneficiaries will not be me, or my re-election, nor the Congress. The real beneficiaries will be the American people who will regain the confidence that they have lost in the ability of Washington to act in their best interest.

If the Congress cannot act, or if it sends to me a bill it knows today I cannot and will not sign, I will take this message to the American people: the problem is Congress. Send a new Congress to Washington next November. In the meantime I will act on my own in the interests of the American people.

I drew a line in the sand a little over a year ago in the Persian Gulf. I kept my word then and tiny Kuwait is free. I have drawn a line in the sand once again -- here in our own

backyard. I will keep my word again and free this economy on behalf of the American people.

Thank you. And God bless you for all the good work you do.

#

Comment page 8

Council on Competitiveness

(Demarest)
March 8, 1992
Draft One
ASAE

92 MAR 9 P 6:40

PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES
MARCH 11, 1992
WASHINGTON, D.C.
1:15 P.M.

3
10
11:11

Chairman Fondren, my fellow Texan, thank you for that introduction. President Taylor. [acknowledgements] I heard a story about how when LBJ moved from the House to the Senate, Jake Pickle and Gene Fondren, then Texas state legislators, flipped a coin to decide who'd run for office and go to Washington. Well, Congressman Pickle's been calling for a rematch ever since.

Robert Frost once wrote that "an idea is a feat of association." Well, association is an idea as old as the American Dream itself. [[Maybe older. I heard that Art Buchwald once said that "the first reported case of an association making a blunder occurred in the Bible, when an association executive overbooked the inn at a carpenter's convention in Bethlehem. The rest is history."]]

Actually, deToqueville 150 years ago had much to say about the value of associations. [] Associations have long played a vital role in our country's progress, and they continue that mission today, defining new frontiers and exploring new territory. In fact, the ASAE has answered my call to become a point of light.

Before I spoke, President Taylor presented the Association's Advance America Awards to salute those who've found a way to help. We hear a too often about what's wrong about America. Well, this is what's right in America, and I salute you and your members for what you are doing to help your communities.

Of course, it's an election year. Regardless of the current preoccupation with the hype and spin of the campaigns, there will remain the issues, the big things -- the core concerns of every American -- jobs -- family -- peace. These are more than the issues we bring to the next election -- they are the legacy we must give to the next generation.

Today, weighing most heavily in the hearts and on the minds of Americans is the state of the economy -- jobs -- preserving jobs, creating jobs. In this very room are representatives of virtually every industry and every profession in America. I don't have to tell you that people are worried about the future.

Frankly, we've had tough economic times before, with higher unemployment -- but less national alarm. There's something different about today's times -- something that touches a nerve. It strikes at the heart of what drives this country forward -- our confidence. Our belief in ourselves. Our hopes for our future.

I'll give it to you straight: Unemployment is roughly seven-plus per cent - about 9 million people out of a total workforce of 126 million. During the 1982 recession, unemployment hit almost 11% -- a level not experienced since the Great Depression.

So we ask ourselves -- why is confidence today lower than at the depth of the 1982 recession?

I've heard a lot of theories. Some say the talking heads of the media are the problem -- always running the country down. [You've heard the saying "no news is good news?" Well, the joke is that for the media, "Good news is no news."]

Others say its the politicians. I myself have noted that in a political year candidates often shower the voters with a message so bleak and hopeless -- at the same time they promise the rainbow if they're elected. That steady drizzle on the people's shoulders can wear away confidence, and wash away hope. So it's easy to suppose that the constant drumbeat about what's wrong in America is a self-fulfilling prophecy.

There may be some truth to that. But I think there are other reasons for our country's lack of confidence. People are feeling the way they do because America's got some real problems -- serious, stubborn, national problems.

But I think it would be unfair and untrue to suggest to the American people that we can't overcome these problems -- to imply that America is a country in decline. So today I want to talk about what we must do to meet the economic challenge that is before us -- how we can build economic vitality into our communities -- how we must ensure that our children see a future that is an improvement over the present --and most importantly, why we must change the way we do business in Washington D.C.

Sometimes it helps to take some of these enormous issues and bring them down to the personal level. So when I talk about America's economic problems this is what I mean:

They are the worries of parents who have worked all their lives to get the kids through college -- and those kids can't find work. They are found in discouraged families who can't afford to pay off anything but the interest on their credit cards, month after month after month. They are the doubts of young people who believe that times will never be as good for them as they were for their parents. These are the things that dim our hope and drain our confidence.

American workers can see that technology and competition are changing the workplace faster than ever before. They can feel the heat -- both at home and abroad. They know American industry is being challenged to keep up or step aside -- I'll talk further about that later in the week in Detroit, Michigan. But whether it's Detroit or Denver, when workers see the company downsizing, they wonder who will be the first to go. And in these tough economic times one out of every [XX] Americans knows someone who's been out of a job at some time in the last year. No wonder people are worried.

American homeowners -- that's almost 70 million people -- worry that the biggest asset they will ever have -- their home -- will lose its worth because real estate values are sliding. The same is true of any business, association, or charitable organization that owns property -- they're concerned too.

Finally, as I discussed earlier this week with the League of Cities, the deterioration of the American family is very serious -- a root problem with tremendous ramifications for our economic well-being as a nation.

But the picture is not all gloom and doom. Interest rates are at historic lows. Inventories are down. The trade deficit has plummeted and our exports are at record highs. I do believe that we are poised for recovery -- a recovery that will come sooner, and be stronger if we in government act now. As self-evident as the mandate for action may seem, we have not been able to muster the necessary political unity of purpose.

In January, I sent to the Congress a plan of action. It was a straightforward set of initiatives based upon tried and true economic realities. I proposed incentives for business to buy equipment, upgrade their plants, and start hiring again. I proposed a shot in the arm to get the housing industry back on its feet -- lead us into economic recovery. I proposed a tax cut on capital gains. Once you get through all the tax-break-for-the-rich demagoguery, most economists agree such a measure would create jobs and stimulate greater economic activity.

Then I offered a broader plan of action to keep us competitive and economically vigorous in the years ahead:

- 1) Education reform to bring the skills of our future workers up to a standard of excellence.
- 2) Reform of our legal system so that Americans can spend more time innovating and less time litigating.
- 3) Health care reform to provide universal

access to the best quality care in the world. 4) Welfare reform to break this sorry cycle of dependency that's become a way of life in many of our cities. 5) Tangible support to strengthen the family -- a \$500 increase in the tax deduction for children. 6) A trade policy that demands foreign markets open up to high-quality American goods and services. 7) Record federal support in research and development to keep our nation on the cutting edge of new technologies.

Big issues. Big challenges. This is the plan I proposed - and I set a deadline for the Congress to act. The Congress didn't like the notion of a deadline. And while the Congress didn't have a comprehensive plan of its own, it is doubtful that it will enact the plan I proposed. Instead, with great and earnest deliberation, the Congress is fixated with how much more to tax the American people. The cost of their proposed tax hikes range from sixty to one hundred billion dollars.

Imagine: giving the Congress more taxpayer money to spend. From Lawrence Welk Museums and studies on the Hatfield-McCoy feud to the billions wasted on big government programs that were proved ineffective years ago -- does anyone believe that more money for the Congress to spend is the answer? Does anyone believe that this money will be more wisely spent than the trillion and a half dollars that the Congress spends now?

My point is not to say one more time that the last thing this economy needs now is a tax increase. Any economist worth his salt will tell you that. No, today I want to make a

different point. One that goes to the heart of why the Congress refuses to take action to stimulate the economy -- but insists on job destroying tax increases. My point goes to the heart of why the Congress is incapable of passing my comprehensive economic growth plan -- or a plan of their own -- by my March 20 deadline -- or any other deadline, for that matter.

I have said on many occasions that government is too big and spends too much. Everyone knows that. And underlying that point is something else everyone agrees on: too often the government spends the money of its customer -- the American taxpayer -- inefficiently, ineffectively, without compassion, and without accountability.

When Americans think about their government what often comes to mind is the latest scandal involving their money. Today, we are cleaning up the Savings and Loan scandal. Jack Kemp deserves a lot of credit for straightening out the abuses in our public housing system. And Dick Cheney has taken the Ill Wind investigation at the Defense Department and made the necessary reforms in defense procurement. But to the taxpayer, these issues just reinforce the notion that the government just can't work any better.

This is all part of why people lack confidence in America's future. They have already lost confidence in its government. There is irony here. Americans are a compassionate people -- willing to foot the bill to help make this country better. But there is an extraordinary mismatch between their willingness to

help and their confidence in government actually using their hard earned tax dollars to get results. My apologies for coining a phrase now in popular jargon, but it is truly time to reinvent government.

I do not mean to slight in any way the three million hard-working people who work for the federal government. But the fact of the matter is that they work in a system that was good for its time, but now must change and change radically. I know that government can't run like a business -- but we can improve its performance. Right now, within the halls of these giant centralized bureaucracies, it is almost impossible to reward success, much less punish failure.

Because government has forgotten the customer, it issues counter-productive regulations. There are perpetual programs that have outlived their function but not their funding. And they are run within rigid, stultifying bureaucracies.

But this kind of government doesn't just happen. It is the Congress that lays down the mandates, funds the programs, creates these bureaucracies. And then it is the Congress that protects them, harasses them, investigates them, micro-manages them. They become stepchildren of the Congress, with a Congressional subcommittee Chairman in the role of godparent.

This is not to criticize the people serving today in Congress. I served in the Congress in twenty-five years ago with some of the finest individuals I ever known -- some are still there now -- Sonny Montgomery, Bob Michel, John Paul

(OVP) competitiveness
Please
lengthen
language
better for
business
group

Hammerschmidt among others. And the newer members today -- many fine people on both sides of the aisle -- decent, hard-working, patriotic. The problem isn't the people, it's the system. And the system must change.

The good people on Capitol Hill are victims of an unaccountable, inefficient, and ineffective system of their own making as well: 284 subcommittees, 35,000 staff members, 2 billion dollars of taxpayer money, a web of special interest influence and money -- with members re-election a virtual certainty. This is not a system that can promote reform and change. Rather, over the years, all this has piled up to create a Congress that is gridlocked. Paralyzed. Out of touch. A Congress totally and utterly incapable of addressing the central issues of our time.

How many people in this room -- people who work with the Congress every day -- haven't had a private conversation with a Senator or Congressman and heard exactly the same thing?

There's nothing wrong with the Congress passing a proclamation heralding "Crime Victims Week", but that's no substitute for a comprehensive crime bill that will actually do something to make people safer in their communities. There's nothing wrong with "National Asparagus Week", but the problem in American agriculture is our national vitality not our national vegetable. (Haven't seen "National Broccoli Week" -- could have some trouble signing that one). For every one of these bills there is staff assigned, paper processed, constituents contacted,

newsletters written, taxpayer money spent. Fully one third of all the legislation that reaches my desk is stuff like this. Another _____ is legislation just to keep the government in business. The focus is clearly not on addressing the new challenges, is it?

This all may sound like simply an election year blast at a Congress controlled by the other party. But it's not. The problem is not necessarily divided government. Ike had to deal with a Democratic Congress in the fifties. But when the big issues came to a head -- President Eisenhower and the Congress were able to meet those challenges as Americans first, partisans second.

We need a new way of looking at things. That gap between private sector efficiency and government's ineptness has become a chasm. I have made proposals to reform government -- proposals to bring back responsibility and accountability to a system answerable to no one but itself. These proposals are based on some fundamental principles. Rely on what works. Whenever possible, decentralize. Institute choice to force competition into the system. Make the system accountable. Understand the new realities of America's global position -- that we must do what makes us more competitive.

I have also called for the Congress to stop exempting itself from the laws it imposes on everyone else. I have called for Campaign Finance Reform to break the influence of special

interest groups. I have talked about term limits for members of Congress.

Chairman Fondren once said that "Leadership...requires forthrightness. Hidden agendas rarely, if ever, lead to progress and very often succeed in spoiling the brew." I've never been very good at hiding my agenda, and I'm not about to start trying now.

For four years, my agenda has been to create jobs, protect the family, and promote world peace. Too many times I ran up against a wall -- a partisan guard more determined to take sides than to take this country forward. March 20 will be an historic watershed in American politics. If the Congress enacts my action plan on the economy by then, the real beneficiaries will not be me, or my re-election, nor the Congress. The real beneficiaries will be the American people who will regain the confidence that they have lost in the ability of Washington to act in their best interest.

If the Congress cannot act, or if it sends to me a bill it knows today I cannot and will not sign, I will take this message to the American people: the problem is Congress. Send a new Congress to Washington next November. In the meantime I will act on my own in the interests of the American people.

I drew a line in the sand a little over a year ago in the Persian Gulf. I kept my word then and tiny Kuwait is free. I have drawn a line in the sand once again -- here in our own

backyard. I will keep my word again and free this economy on behalf of the American people.

Thank you. And God bless you for all the good work you do.

#

(Demarest)
March 8, 1992
Draft One
ASAE

02 MAR 9 P 6:40

PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES
MARCH 11, 1992
WASHINGTON, D.C.
1:15 P.M.

Chairman Fondren, my fellow Texan, thank you for that introduction. President Taylor. [acknowledgements] I heard a story about how when LBJ moved from the House to the Senate, Jake Pickle and Gene Fondren, then Texas state legislators, flipped a coin to decide who'd run for office and go to Washington. Well, Congressman Pickle's been calling for a rematch ever since.

Robert Frost once wrote that "an idea is a feat of association." Well, association is an idea as old as the American Dream itself. [[Maybe older. I heard that Art Buchwald once said that "the first reported case of an association making a blunder occurred in the Bible, when an association executive overbooked the inn at a carpenter's convention in Bethlehem. The rest is history."]]

Actually, deToqueville 150 years ago had much to say about the value of associations. [] Associations have long played a vital role in our country's progress, and they continue that mission today, defining new frontiers and exploring new territory. In fact, the ASAE has answered my call to become a point of light.

Before I spoke, President Taylor presented the Association's Advance America Awards to salute those who've found a way to help. We hear a too often about what's wrong about America. Well, this is what's right in America, and I salute you and your members for what you are doing to help your communities.

Of course, it's an election year. Regardless of the current preoccupation with the hype and spin of the campaigns, there will remain the issues, the big things -- the core concerns of every American -- jobs -- family -- peace. These are more than the issues we bring to the next election -- they are the legacy we must give to the next generation.

Today, weighing most heavily in the hearts and on the minds of Americans is the state of the economy -- jobs -- preserving jobs, creating jobs. In this very room are representatives of virtually every industry and every profession in America. I don't have to tell you that people are worried about the future.

Frankly, we've had tough economic times before, with higher unemployment -- but less national alarm. There's something different about today's times -- something that touches a nerve. It strikes at the heart of what drives this country forward -- our confidence. Our belief in ourselves. Our hopes for our future.

I'll give it to you straight: Unemployment is roughly seven-plus per cent - about 9 million people out of a total workforce of 126 million. During the 1982 recession, unemployment hit almost 11% -- a level not experienced since the Great Depression.

So we ask ourselves -- why is confidence today lower than at the depth of the 1982 recession?

I've heard a lot of theories. Some say the talking heads of the media are the problem -- always running the country down. [You've heard the saying "no news is good news?" Well, the joke is that for the media, "Good news is no news."]

Others say its the politicians. I myself have noted that in a political year candidates often shower the voters with a message so bleak and hopeless -- at the same time they promise the rainbow if they're elected. That steady drizzle on the people's shoulders can wear away confidence, and wash away hope. So it's easy to suppose that the constant drumbeat about what's wrong in America is a self-fulfilling prophecy.

There may be some truth to that. But I think there are other reasons for our country's lack of confidence. People are feeling the way they do because America's got some real problems -- serious, stubborn, national problems.

But I think it would be unfair and untrue to suggest to the American people that we can't overcome these problems -- to imply that America is a country in decline. So today I want to talk about what we must do to meet the economic challenge that is before us -- how we can build economic vitality into our communities -- how we must ensure that our children see a future that is an improvement over the present --and most importantly, why we must change the way we do business in Washington D.C.

Sometimes it helps to take some of these enormous issues and bring them down to the personal level. So when I talk about America's economic problems this is what I mean:

They are the worries of parents who have worked all their lives to get the kids through college -- and those kids can't find work. They are found in discouraged families who can't afford to pay off anything but the interest on their credit cards, month after month after month. They are the doubts of young people who believe that times will never be as good for them as they were for their parents. These are the things that dim our hope and drain our confidence.

American workers can see that technology and competition are changing the workplace faster than ever before. They can feel the heat -- both at home and abroad. They know American industry is being challenged to keep up or step aside -- I'll talk further about that later in the week in Detroit, Michigan. But whether it's Detroit or Denver, when workers see the company downsizing, they wonder who will be the first to go. And in these tough economic times one out of every [XX] Americans knows someone who's been out of a job at some time in the last year. No wonder people are worried.

American homeowners -- that's almost 70 million people -- worry that the biggest asset they will ever have -- their home -- will lose its worth because real estate values are sliding. The same is true of any business, association, or charitable organization that owns property -- they're concerned too.

Finally, as I discussed earlier this week with the League of Cities, the deterioration of the American family is very serious -- a root problem with tremendous ramifications for our economic well-being as a nation.

But the picture is not all gloom and doom. Interest rates are at historic lows. Inventories are down. The trade deficit has plummeted and our exports are at record highs. I do believe that we are poised for recovery -- a recovery that will come sooner, and be stronger if we in government act now. As self-evident as the mandate for action may seem, we have not been able to muster the necessary political unity of purpose.

In January, I sent to the Congress a plan of action. It was a straightforward set of initiatives based upon tried and true economic realities. I proposed incentives for business to buy equipment, upgrade their plants, and start hiring again. I proposed a shot in the arm to get the housing industry back on its feet -- lead us into economic recovery. I proposed a tax cut on capital gains. Once you get through all the tax-break-for-the-rich demagoguery, most economists agree such a measure would create jobs and stimulate greater economic activity.

Then I offered a broader plan of action to keep us competitive and economically vigorous in the years ahead:

- 1) Education reform to bring the skills of our future workers up to a standard of excellence.
- 2) Reform of our legal system so that Americans can spend more time innovating and less time litigating.
- 3) Health care reform to provide universal

access to the best quality care in the world. 4) Welfare reform to break this sorry cycle of dependency that's become a way of life in many of our cities. 5) Tangible support to strengthen the family -- a \$500 increase in the tax deduction for children. 6) A trade policy that demands foreign markets open up to high-quality American goods and services. 7) Record federal support in research and development to keep our nation on the cutting edge of new technologies.

Big issues. Big challenges. This is the plan I proposed -- and I set a deadline for the Congress to act. The Congress didn't like the notion of a deadline. And while the Congress didn't have a comprehensive plan of its own, it is doubtful that it will enact the plan I proposed. Instead, with great and earnest deliberation, the Congress is fixated with how much more to tax the American people. The cost of their proposed tax hikes range from sixty to one hundred billion dollars.

Imagine: giving the Congress more taxpayer money to spend. From Lawrence Welk Museums and studies on the Hatfield-McCoy feud to the billions wasted on big government programs that were proved ineffective years ago -- does anyone believe that more money for the Congress to spend is the answer? Does anyone believe that this money will be more wisely spent than the trillion and a half dollars that the Congress spends now?

My point is not to say one more time that the last thing this economy needs now is a tax increase. Any economist worth his salt will tell you that. No, today I want to make a

different point. One that goes to the heart of why the Congress refuses to take action to stimulate the economy -- but insists on job destroying tax increases. My point goes to the heart of why the Congress is incapable of passing my comprehensive economic growth plan -- or a plan of their own -- by my March 20 deadline -- or any other deadline, for that matter.

I have said on many occasions that government is too big and spends too much. Everyone knows that. And underlying that point is something else everyone agrees on: too often the government spends the money of its customer -- the American taxpayer -- inefficiently, ineffectively, without compassion, and without accountability.

When Americans think about their government what often comes to mind is the latest scandal involving their money. Today, we are cleaning up the Savings and Loan scandal. Jack Kemp deserves a lot of credit for straightening out the abuses in our public housing system. And Dick Cheney has taken the Ill Wind investigation at the Defense Department and made the necessary reforms in defense procurement. But to the taxpayer, these issues just reinforce the notion that the government just can't work any better.

This is all part of why people lack confidence in America's future. They have already lost confidence in its government. There is irony here. Americans are a compassionate people -- willing to foot the bill to help make this country better. But there is an extraordinary mismatch between their willingness to

help and their confidence in government actually using their hard earned tax dollars to get results. My apologies for coining a phrase now in popular jargon, but it is truly time to reinvent government.

I do not mean to slight in any way the three million hard-working people who work for the federal government. But the fact of the matter is that they work in a system that was good for its time, but now must change and change radically. I know that government can't run like a business -- but we can improve its performance. Right now, within the halls of these giant centralized bureaucracies, it is almost impossible to reward success, much less punish failure.

Because government has forgotten the customer, it issues counter-productive regulations. There are perpetual programs that have outlived their function but not their funding. And they are run within rigid, stultifying bureaucracies.

But this kind of government doesn't just happen. It is the Congress that lays down the mandates, funds the programs, creates these bureaucracies. And then it is the Congress that protects them, harasses them, investigates them, micro-manages them. They become stepchildren of the Congress, with a Congressional subcommittee Chairman in the role of godparent.

This is not to criticize the people serving today in Congress. I served in the Congress in twenty-five years ago with some of the finest individuals I ever known -- some are still there now -- Sonny Montgomery, Bob Michel, John Paul

Hammerschmidt among others. And the newer members today -- many fine people on both sides of the aisle -- decent, hard-working, patriotic. The problem isn't the people, it's the system. And the system must change.

The good people on Capitol Hill are victims of an unaccountable, inefficient, and ineffective system of their own making as well: 284 subcommittees, 35,000 staff members, 2 billion dollars of taxpayer money, a web of special interest influence and money -- with members re-election a virtual certainty. This is not a system that can promote reform and change. Rather, over the years, all this has piled up to create a Congress that is gridlocked. Paralyzed. Out of touch. A Congress totally and utterly incapable of addressing the central issues of our time.

How many people in this room -- people who work with the Congress every day -- haven't had a private conversation with a Senator or Congressman and heard exactly the same thing?

There's nothing wrong with the Congress passing a proclamation heralding "Crime Victims Week", but that's no substitute for a comprehensive crime bill that will actually do something to make people safer in their communities. There's nothing wrong with "National Asparagus Week", but the problem in American agriculture is our national vitality not our national vegetable. (Haven't seen "National Broccoli Week" -- could have some trouble signing that one). For every one of these bills there is staff assigned, paper processed, constituents contacted,

newsletters written, taxpayer money spent. Fully one third of all the legislation that reaches my desk is stuff like this. Another _____ is legislation just to keep the government in business. The focus is clearly not on addressing the new challenges, is it?

This all may sound like simply an election year blast at a Congress controlled by the other party. But it's not. The problem is not necessarily divided government. Ike had to deal with a Democratic Congress in the fifties. But when the big issues came to a head -- President Eisenhower and the Congress were able to meet those challenges as Americans first, partisans second.

We need a new way of looking at things. That gap between private sector efficiency and government's ineptness has become a chasm. I have made proposals to reform government -- proposals to bring back responsibility and accountability to a system answerable to no one but itself. These proposals are based on some fundamental principles. Rely on what works. Whenever possible, decentralize. Institute choice to force competition into the system. Make the system accountable. Understand the new realities of America's global position -- that we must do what makes us more competitive.

I have also called for the Congress to stop exempting itself from the laws it imposes on everyone else. I have called for Campaign Finance Reform to break the influence of special

interest groups. I have talked about term limits for members of Congress.

Chairman Fondren once said that "Leadership...requires forthrightness. Hidden agendas rarely, if ever, lead to progress and very often succeed in spoiling the brew." I've never been very good at hiding my agenda, and I'm not about to start trying now.

For four years, my agenda has been to create jobs, protect the family, and promote world peace. Too many times I ran up against a wall -- a partisan guard more determined to take sides than to take this country forward. March 20 will be an historic watershed in American politics. If the Congress enacts my action plan on the economy by then, the real beneficiaries will not be me, or my re-election, nor the Congress. The real beneficiaries will be the American people who will regain the confidence that they have lost in the ability of Washington to act in their best interest.

If the Congress cannot act, or if it sends to me a bill it knows today I cannot and will not sign, I will take this message to the American people: the problem is Congress. Send a new Congress to Washington next November. In the meantime I will act on my own in the interests of the American people.

I drew a line in the sand a little over a year ago in the Persian Gulf. I kept my word then and tiny Kuwait is free. I have drawn a line in the sand once again -- here in our own

backyard. I will keep my word again and free this economy on behalf of the American people.

Thank you. And God bless you for all the good work you do.

#

WHITE HOUSE STAFFING MEMORANDUM

92 MAR 10 AIO: 21

DATE: 3/9/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUES. 3/10/92 11:00 am

SUBJECT: PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES WED., MARCH 11

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input type="checkbox"/>	<input checked="" 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 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"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			KAUFMAN		<input checked="" type="checkbox"/>

REMARKS: MCGROARTY

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 11:00 a.m., TUESDAY, MARCH 10, with a copy to this office. Thank you.

RESPONSE:

Good, thoughtful.

BT for SR

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



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

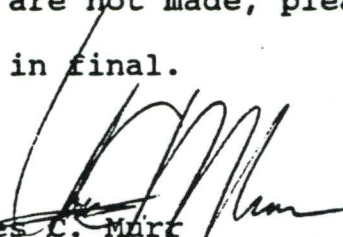
92 MAR 10 11:10

MAR 10 1992

NOTICE:

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

If our proposed substantive changes are not made, please let us know before the material is prepared in final.


James C. Merritt
Associate Director for
Legislative Reference
and Administration

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/9/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUES. 3/10/92 11:00 am

SUBJECT: PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES
WED., MARCH 11

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input type="checkbox"/>	<input checked="" 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 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"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			KAUFMAN		<input checked="" type="checkbox"/>

REMARKS: MCGROARTY

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 11:00 a.m., TUESDAY, MARCH 10, with a copy to this office. Thank you.

RESPONSE:

See Comments

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

(Demarest)
March 8, 1992
Draft One
ASAE

02 MAR 9 P6:40

PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES
MARCH 11, 1992
WASHINGTON, D.C.
1:15 P.M.

Chairman Fondren, my fellow Texan, thank you for that introduction. President Taylor. [acknowledgements] I heard a story about how when LBJ moved from the House to the Senate, Jake Pickle and Gene Fondren, then Texas state legislators, flipped a coin to decide who'd run for office and go to Washington. Well, Congressman Pickle's been calling for a rematch ever since.

Robert Frost once wrote that "an idea is a feat of association." Well, association is an idea as old as the American Dream itself. [[Maybe older. I heard that Art Buchwald once said that "the first reported case of an association making a blunder occurred in the Bible, when an association executive overbooked the inn at a carpenter's convention in Bethlehem. The rest is history."]]

Actually, deToqueville 150 years ago had much to say about the value of associations. [] Associations have long played a vital role in our country's progress, and they continue that mission today, defining new frontiers and exploring new territory. In fact, the ASAE has answered my call to become a point of light.

Before I spoke, President Taylor presented the Association's Advance America Awards to salute those who've found a way to help. We hear ~~a~~ too often about what's wrong about America. Well, this is what's right in America, and I salute you and your members for what you are doing to help your communities.

Of course, it's an election year. Regardless of the current preoccupation with the hype and spin of the campaigns, there will remain the issues, the big things -- the core concerns of every American -- jobs -- family -- peace. These are more than the issues we bring to the next election -- they are the legacy we must give to the next generation.

Today, weighing most heavily in the hearts and on the minds of Americans is the state of the economy -- jobs -- preserving jobs, creating jobs. In this very room are representatives of virtually every industry and every profession in America. I don't have to tell you that people are worried about the future.

Frankly, we've had tough economic times before, with higher unemployment -- but less national alarm. There's something different about today's times -- something that touches a nerve. It strikes at the heart of what drives this country forward -- our confidence. Our belief in ourselves. Our hopes for our future.

I'll give it to you straight: Unemployment is roughly seven-plus per cent - about 9 million people out of a total workforce of 126 million. During the 1982 recession, unemployment hit almost 11% -- a level not experienced since the Great Depression.

Grady
4544

Friday's announcement of employment growth of 120,000 last month was one of the largest one month jumps ever.

So we ask ourselves -- why is confidence today lower than at the depth of the 1982 recession?

I've heard a lot of theories. Some say the talking heads of the media are the problem -- always running the country down. [You've heard the saying "no news is good news?" Well, the joke is that for the media, "Good news is no news."]

Others say its the politicians. I myself have noted that in a political year candidates often shower the voters with a message so bleak and hopeless -- at the same time they promise the rainbow if they're elected. That steady drizzle on the people's shoulders can wear away confidence, and wash away hope. So it's easy to suppose that the constant drumbeat about what's wrong in America is a self-fulfilling prophecy.

There may be some truth to that. But I think there are other reasons for our country's lack of confidence. People are feeling the way they do because America's got some real problems *long-term challenges -- ad: if we do not address them now, they will become* serious, stubborn, national problems. *long-term problems*

But I think it would be unfair and untrue to suggest to the American people that we can't overcome these problems -- to imply that America is a country in decline. So today I want to talk about what we must do to meet the economic challenge that is before us -- how we can build economic vitality into our communities -- how we must ensure that our children see a future that is an improvement over the present --and most importantly, why we must change the way we do business in Washington D.C.

Sometimes it helps to take some of these enormous issues and bring them down to the personal level. So when I talk about America's economic problems this is what I mean:

They are the worries of parents who have worked all their lives to get the kids through college -- and those kids can't find work. They are found in discouraged families who can't afford to pay off anything but the interest on their credit cards, month after month after month. They are the doubts of young people who believe that times will never be as good for them as they were for their parents. These are the things that dim our hope and drain our confidence.

American workers can see that technology and competition are changing the workplace faster than ever before. They can feel the heat -- both at home and abroad. They know American industry is being challenged to keep up or step aside -- I'll talk further about that later in the week in Detroit, Michigan. But whether

it's Detroit or Denver, when workers see the company downsizing, they wonder who will be the first to go. And in these tough economic times one out of every [XX] Americans knows someone who's been out of a job at some time in the last year. No wonder people are worried.

We live in a competitive world, all people worry about our ability to compete.

American homeowners -- that's almost 70 million people -- worry that the biggest asset they will ever have -- their home -- will lose its worth because real estate values are sliding. The same is true of any business, association, or charitable organization that owns property -- they're concerned too.

Finally, as I discussed earlier this week with the League of Cities, the deterioration of the American family is very serious -- a root problem with tremendous ramifications for our economic well-being as a nation.

But the picture is not all gloom and doom. Interest rates are at historic lows. Inventories are ~~down~~ ^{low.} The trade deficit has plummeted and our exports are at record highs. I do believe that we are poised for recovery -- a recovery that will come sooner, and be stronger if we ~~in government~~ act now. As self-evident as the mandate for action may seem, we have not been able to muster the necessary political unity of purpose. ✓

In January, I sent to the Congress a plan of action. It was a straightforward set of initiatives based upon tried and true economic realities. I proposed incentives for business to buy equipment, upgrade their plants, and start hiring again. I proposed a shot in the arm to get the housing industry back on its feet -- lead us into economic recovery. I proposed a tax cut on capital gains. Once you get through all the tax-break-for-the-rich demagoguery, most economists agree such a measure would create jobs and stimulate greater economic activity.

Then I offered a broader plan of action to keep us competitive and economically vigorous in the years ahead:

- 1) Education reform to bring the skills of our future workers up to a standard of excellence.
- 2) Reform of our legal system so that Americans can spend more time innovating and less time litigating.
- 3) Health care reform to provide universal

Grady/484M
6

the

access to the best quality care in the world. 4) Welfare reform to break ~~the~~ sorry cycle of dependency that's become a way of life in many of our cities. 5) Tangible support to strengthen the family -- a \$500 increase in the tax deduction for children. 6) A trade policy that demands foreign markets open up to high-quality American goods and services. 7) Record federal support in research and development to keep our nation on the cutting edge of new technologies.

Big issues. Big challenges. This is the plan I proposed - and I set a deadline for the Congress to act. The Congress didn't like the notion of a deadline. And while the Congress didn't have a comprehensive plan of its own, it is doubtful that it will enact the plan I proposed. Instead, with great and earnest deliberation, the Congress is fixated with how much more to tax the American people. The cost of their proposed tax hikes range from sixty to one hundred billion dollars.

Imagine: giving the Congress more taxpayer money to spend. From Lawrence Welk Museums and studies on the Hatfield-McCoy feud to the billions wasted on big government programs that were proved ineffective years ago -- does anyone believe that more money for the Congress to spend is the answer? Does anyone believe that this money will be more wisely spent than the trillion and a half dollars that the Congress spends now?

My point is not to say one more time that the last thing this economy needs now is a tax increase. Any economist worth his salt will tell you that. No, today I want to make a

deletable
Taylor
3/92

help and their confidence in government actually using their hard earned tax dollars to get results. My apologies for coining a phrase now in popular jargon, but it is truly time to reinvent government.

I do not mean to slight in any way the three million hard-working people who work for the federal government. But the fact of the matter is that they work in a system that was good for its time, but now must change and change radically. I know that government can't run like a business -- but we can improve its performance. Right now, within the halls of these giant centralized bureaucracies, it is almost impossible to reward success, much less punish failure.

Because government has forgotten the customer, it issues counter-productive regulations. There are perpetual programs that have outlived their function but not their funding. And they are run within rigid, stultifying bureaucracies.

But this kind of government doesn't just happen. It is the Congress that lays down the mandates, funds the programs, creates these bureaucracies. And then it is the Congress that protects them, harasses them, investigates them, micro-manages them. They become stepchildren of the Congress, with a Congressional subcommittee Chairman in the role of godparent.

This is not to criticize the people serving today in Congress. I served in the Congress ~~in~~^{have} twenty-five years ago with some of the finest individuals I ever known -- some are still there now -- Sonny Montgomery, Bob Michel, John Paul

Taylor
3/92

different point. One that goes to the heart of why the Congress refuses to take action to stimulate the economy -- but insists on job destroying tax increases. My point goes to the heart of why the Congress is incapable of passing my comprehensive economic growth plan -- or a plan of their own -- by my March 20 deadline -- or any other deadline, for that matter.

I have said on many occasions that government is too big and spends too much. Everyone knows that. And underlying that point is something else everyone agrees on: too often the government spends the money of its customer -- the American taxpayer -- inefficiently, ineffectively, without compassion, and without accountability.

When Americans think about their government what often comes to mind is the latest scandal involving their money. Today, we are cleaning up the Savings and Loan scandal. Jack Kemp deserves a lot of credit for straightening out the abuses in our public housing system. And Dick Cheney has taken the Ill Wind investigation at the Defense Department and made the necessary reforms in defense procurement. But to the taxpayer, these issues just reinforce the notion that the government just can't work any better.

This is all part of why people lack confidence in America's future. They have already lost confidence in its government. There is irony here. Americans are a compassionate people -- willing to foot the bill to help make this country better. But there is an extraordinary mismatch between their willingness to

Congress seems to have misused everything from the bank to the post office.

Grady
4/5/42

Hammerschmidt among others. And the newer members today -- many fine people on both sides of the aisle -- decent, hard-working, patriotic. The problem isn't the people, it's the system. And the system must change.

The good people on Capitol Hill are victims of an unaccountable, inefficient, and ineffective system of their own making as well: 284 subcommittees, 35,000 staff members, 2 billion dollars of taxpayer money, a web of special interest influence and money -- with members re-election a virtual certainty. This is not a system that can promote reform and change. Rather, over the years, all this has piled up to create a Congress that is gridlocked. Paralyzed. Out of touch. A Congress totally and utterly incapable of addressing the central issues of our time.

How many people in this room -- people who work with the Congress every day -- haven't had a private conversation with a Senator or Congressman and heard exactly the same thing?

There's nothing wrong with the Congress passing a proclamation heralding "Crime Victims Week", but that's no substitute for a comprehensive crime bill that will actually do something to make people safer in their communities. There's nothing wrong with "National Asparagus Week", but the problem in American agriculture is our national vitality not our national vegetable. (Haven't seen "National Broccoli Week" -- could have some trouble signing that one). For every one of these bills there is staff assigned, paper processed, constituents contacted,

Scully
5/7/8

Gandy 4/24/44

[The Congress is no longer accountable to the voter. The huge campaign spending advantage of incumbents means that, almost no matter how low the public's view of Congress falls, they cannot lose. So we need to reform radically our system of campaign finance now.]

newsletters written, taxpayer money spent. Fully one third of all the legislation that reaches my desk is stuff like this.

A by product of all this staff and bureaucratic involvement is
 Another _____ is legislation ~~just~~ to keep the government in

business. The focus is clearly not on addressing the new challenges, is it?

That is, legislation requiring millions of pages of to Congress and thousands of hours of work at taxpayers expense just to keep all those Congressional staffers busy.

This all may sound like simply an election year blast at a Congress controlled by the other party. But it's not. The problem is not necessarily divided government. Ike had to deal with a Democratic Congress in the fifties. But when the big issues came to a head -- President Eisenhower and the Congress were able to meet those challenges as Americans first, partisans second.

*Taylor
3/92*

We need a new way of looking at things. That gap between private sector efficiency and government's ineptness has become a chasm. I have made proposals to reform government -- proposals to bring back responsibility and accountability to a system answerable to no one but itself. These proposals are based on some fundamental principles. Rely on what works. Whenever possible, decentralize. Institute choice to force competition into the system. Make the system accountable. Understand the new realities of America's global position -- that we must do what makes us more competitive.

I have also called for the Congress to stop exempting itself from the laws it imposes on everyone else. I have called for Campaign Finance Reform to break the influence of special

interest groups. I have talked about term limits for members of Congress. -- and I support them - when the system is broken, you've got to fix it ✓

Chairman Fondren once said that "Leadership...requires forthrightness. Hidden agendas rarely, if ever, lead to progress and very often succeed in spoiling the brew." I've never been very good at hiding my agenda, and I'm not about to start trying now.

For four years, my agenda has been to create jobs, protect the family, and promote world peace. Too many times I ran up against a wall -- a partisan guard more determined to take sides than to take this country forward. March 20 will be an ~~historic watershed~~ ^{important date.} * in American politics. If the Congress enacts my action plan on the economy by then, the real beneficiaries will not be me, or my re-election, nor the Congress. The real beneficiaries will be the American people who will regain the confidence that they have lost in the ability of Washington to act in their best interest.

If the Congress cannot act, or if it sends to me a bill it knows today I cannot and will not sign, I will take this message to the American people: the problem is Congress. Send a new Congress to Washington next November. In the meantime I will act on my own in the interests of the American people.

I drew a line in the sand a little over a year ago in the Persian Gulf. I kept my word then and tiny Kuwait is free. I have drawn a line in the sand once again -- here in our own

* Note: let's not build expectations to unmettable levels -- 3/20 will not be an "historic watershed" !!

backyard. I will keep my word again and free this economy on behalf of the American people.

Thank you. And God bless you for all the good work you do.

#

THE WHITE HOUSE
WASHINGTON

92 MAR 10 A10: 01

March 10, 1992
10:00am

TO: Dan McGroarty

FROM: **ROBERT T. SWANSON**
Assistant Counsel to the President

Comments on pages 2 and 6.

cc: Phil Brady

(Demarest)
March 8, 1992
Draft One
ASAE

92 MAR 9 P 6: 40

PRESIDENTIAL REMARKS: ASSOCIATION EXECUTIVES
MARCH 11, 1992
WASHINGTON, D.C.
1:15 P.M.

Chairman Fondren, my fellow Texan, thank you for that introduction. President Taylor. [acknowledgements] I heard a story about how when LBJ moved from the House to the Senate, Jake Pickle and Gene Fondren, then Texas state legislators, flipped a coin to decide who'd run for office and go to Washington. Well, Congressman Pickle's been calling for a rematch ever since.

Robert Frost once wrote that "an idea is a feat of association." Well, association is an idea as old as the American Dream itself. [[Maybe older. I heard that Art Buchwald once said that "the first reported case of an association making a blunder occurred in the Bible, when an association executive overbooked the inn at a carpenter's convention in Bethlehem. The rest is history."]]

Actually, deToqueville 150 years ago had much to say about the value of associations. [] Associations have long played a vital role in our country's progress, and they continue that mission today, defining new frontiers and exploring new territory. In fact, the ASAE has answered my call to become a point of light.

Before I spoke, President Taylor presented the Association's Advance America Awards to salute those who've found a way to help. We hear ^(a) too often about what's wrong about America. Well, this is what's right in America, and I salute you and your members for what you are doing to help your communities.

Of course, it's an election year. ^{In dependent} ~~Regardless~~ of the current preoccupation with the hype and spin of the campaigns, there will remain the issues, the big things -- the core concerns of every American -- jobs -- family -- peace. These are more than the issues we bring to the next election -- they are the legacy we must give to the next generation.

Today, weighing most heavily in the hearts and on the minds of Americans is the state of the economy -- jobs -- preserving jobs, creating jobs. In this very room are representatives of virtually every industry and every profession in America. I don't have to tell you that people are worried about the future.

Frankly, we've had tough economic times before, with higher unemployment -- but less national alarm. There's something different about today's times -- something that touches a nerve. It strikes at the heart of what drives this country forward -- our confidence. Our belief in ourselves. Our hopes for our future.

I'll give it to you straight: Unemployment is roughly seven-plus per cent - about 9 million people out of a total workforce of 126 million. During the 1982 recession, unemployment hit almost 11% -- a level not experienced since the Great Depression.

So we ask ourselves -- why is confidence today lower than at the depth of the 1982 recession?

I've heard a lot of theories. Some say the talking heads of the media are the problem -- always running the country down. [You've heard the saying "no news is good news?" Well, the joke is that for the media, "Good news is no news."]

Others say its the politicians. I myself have noted that in a political year candidates often shower the voters with a message so bleak and hopeless -- at the same time they promise the rainbow if they're elected. That steady drizzle on the people's shoulders can wear away confidence, and wash away hope. So it's easy to suppose that the constant drumbeat about what's wrong in America is a self-fulfilling prophecy.

There may be some truth to that. But I think there are other reasons for our country's lack of confidence. People are feeling the way they do because America's got some real problems -- serious, stubborn, national problems.

But I think it would be unfair and untrue to suggest to the American people that we can't overcome these problems -- to imply that America is a country in decline. So today I want to talk about what we must do to meet the economic challenge that is before us -- how we can build economic vitality into our communities -- how we must ensure that our children see a future that is an improvement over the present --and most importantly, why we must change the way we do business in Washington D.C.

Sometimes it helps to take some of these enormous issues and bring them down to the personal level. So when I talk about America's economic problems this is what I mean:

They are the worries of parents who have worked all their lives to get the kids through college -- and those kids can't find work. They are found in discouraged families who can't afford to pay off anything but the interest on their credit cards, month after month after month. They are the doubts of young people who believe that times will never be as good for them as they were for their parents. These are the things that dim our hope and drain our confidence.

American workers can see that technology and competition are changing the workplace faster than ever before. They can feel the heat -- both at home and abroad. They know American industry is being challenged to keep up or step aside -- I'll talk further about that later in the week in Detroit, Michigan. But whether it's Detroit or Denver, when workers see the company downsizing, they wonder who will be the first to go. And in these tough economic times one out of every [XX] Americans knows someone who's been out of a job at some time in the last year. No wonder people are worried.

American homeowners -- that's almost 70 million people -- worry that the biggest asset they will ever have -- their home -- will lose its worth because real estate values are sliding. The same is true of any business, association, or charitable organization that owns property -- they're concerned too.

Finally, as I discussed earlier this week with the League of Cities, the deterioration of the American family is very serious -- a root problem with tremendous ramifications for our economic well-being as a nation.

But the picture is not all gloom and doom. Interest rates are at historic lows. Inventories are down. The trade deficit has plummeted and our exports are at record highs. I do believe that we are poised for recovery -- a recovery that will come sooner, and be stronger if we in government act now. As self-evident as the mandate for action may seem, we have not been able to muster the necessary political unity of purpose.

In January, I sent to the Congress a plan of action. It was a straightforward set of initiatives based upon tried and true economic realities. I proposed incentives for business to buy equipment, upgrade their plants, and start hiring again. I proposed a shot in the arm to get the housing industry back on its feet -- lead us into economic recovery. I proposed a tax cut on capital gains. Once you get through all the tax-break-for-the-rich demagoguery, most economists agree such a measure would create jobs and stimulate greater economic activity.

Then I offered a broader plan of action to keep us competitive and economically vigorous in the years ahead:

- 1) Education reform to bring the skills of our future workers up to a standard of excellence.
- 2) Reform of our legal system so that Americans can spend more time innovating and less time litigating.
- 3) Health care reform to provide universal

access to the best quality care in the world. 4) Welfare reform to break this sorry cycle of dependency that's become a way of life in many of our cities. 5) Tangible support to strengthen the family -- a \$500 increase in the tax deduction for children. 6) A trade policy that demands foreign markets open up to high-quality American goods and services. 7) Record federal support in research and development to keep our nation on the cutting edge of new technologies.

Big issues. Big challenges. This is the plan I proposed - - and I set a deadline for the Congress to act. The Congress didn't like the notion of a deadline. And while the Congress didn't have a comprehensive plan of its own, it is doubtful that it will enact the plan I proposed. Instead, with great and earnest deliberation, the Congress is fixated with how much more to tax the American people. The cost of their proposed tax hikes range from sixty to one hundred billion dollars.

Imagine:—giving the Congress more taxpayer money to spend.

can't we find a different knowledge!
From Lawrence Welk Museums and studies on the Hatfield-McCoy feud to the billions wasted on big government programs that were proved ineffective years ago -- does anyone believe that more money for the Congress to spend is the answer? Does anyone believe that this money will be more wisely spent than the trillion and a half dollars that the Congress spends now?

My point is not to say one more time that the last thing this economy needs now is a tax increase. Any economist worth his salt will tell you that. No, today I want to make a

different point. One that goes to the heart of why the Congress refuses to take action to stimulate the economy -- but insists on job destroying tax increases. My point goes to the heart of why the Congress is incapable of passing my comprehensive economic growth plan -- or a plan of their own -- by my March 20 deadline -- or any other deadline, for that matter.

I have said on many occasions that government is too big and spends too much. Everyone knows that. And underlying that point is something else everyone agrees on: too often the government spends the money of its customer -- the American taxpayer -- inefficiently, ineffectively, without compassion, and without accountability.

When Americans think about their government what often comes to mind is the latest scandal involving their money. Today, we are cleaning up the Savings and Loan scandal. Jack Kemp deserves a lot of credit for straightening out the abuses in our public housing system. And Dick Cheney has taken the Ill Wind investigation at the Defense Department and made the necessary reforms in defense procurement. But to the taxpayer, these issues just reinforce the notion that the government just can't work any better.

This is all part of why people lack confidence in America's future. They have already lost confidence in its government. There is irony here. Americans are a compassionate people -- willing to foot the bill to help make this country better. But there is an extraordinary mismatch between their willingness to

help and their confidence in government actually using their hard earned tax dollars to get results. My apologies for coining a phrase now in popular jargon, but it is truly time to reinvent government.

I do not mean to slight in any way the three million hard-working people who work for the federal government. But the fact of the matter is that they work in a system that was good for its time, but now must change and change radically. I know that government can't run like a business -- but we can improve its performance. Right now, within the halls of these giant centralized bureaucracies, it is almost impossible to reward success, much less punish failure.

Because government has forgotten the customer, it issues counter-productive regulations. There are perpetual programs that have outlived their function but not their funding. And they are run within rigid, stultifying bureaucracies.

But this kind of government doesn't just happen. It is the Congress that lays down the mandates, funds the programs, creates these bureaucracies. And then it is the Congress that protects them, harasses them, investigates them, micro-manages them. They become stepchildren of the Congress, with a Congressional subcommittee Chairman in the role of godparent.

This is not to criticize the people serving today in Congress. I served in the Congress in twenty-five years ago with some of the finest individuals I ever known -- some are still there now -- Sonny Montgomery, Bob Michel, John Paul

Hammerschmidt among others. And the newer members today -- many fine people on both sides of the aisle -- decent, hard-working, patriotic. The problem isn't the people, it's the system. And the system must change.

The good people on Capitol Hill are victims of an unaccountable, inefficient, and ineffective system of their own making as well: 284 subcommittees, 35,000 staff members, 2 billion dollars of taxpayer money, a web of special interest influence and money -- with members re-election a virtual certainty. This is not a system that can promote reform and change. Rather, over the years, all this has piled up to create a Congress that is gridlocked. Paralyzed. Out of touch. A Congress totally and utterly incapable of addressing the central issues of our time.

How many people in this room -- people who work with the Congress every day -- haven't had a private conversation with a Senator or Congressman and heard exactly the same thing?

There's nothing wrong with the Congress passing a proclamation heralding "Crime Victims Week", but that's no substitute for a comprehensive crime bill that will actually do something to make people safer in their communities. There's nothing wrong with "National Asparagus Week", but the problem in American agriculture is our national vitality not our national vegetable. (Haven't seen "National Broccoli Week" -- could have some trouble signing that one). For every one of these bills there is staff assigned, paper processed, constituents contacted,

newsletters written, taxpayer money spent. Fully one third of all the legislation that reaches my desk is stuff like this. Another _____ is legislation just to keep the government in business. The focus is clearly not on addressing the new challenges, is it?

This all may sound like simply an election year blast at a Congress controlled by the other party. But it's not. The problem is not necessarily divided government. Ike had to deal with a Democratic Congress in the fifties. But when the big issues came to a head -- President Eisenhower and the Congress were able to meet those challenges as Americans first, partisans second.

We need a new way of looking at things. That gap between private sector efficiency and government's ineptness has become a chasm. I have made proposals to reform government -- proposals to bring back responsibility and accountability to a system answerable to no one but itself. These proposals are based on some fundamental principles. Rely on what works. Whenever possible, decentralize. Institute choice to force competition into the system. Make the system accountable. Understand the new realities of America's global position -- that we must do what makes us more competitive.

I have also called for the Congress to stop exempting itself from the laws it imposes on everyone else. I have called for Campaign Finance Reform to break the influence of special

interest groups. I have talked about term limits for members of Congress.

Chairman Fondren once said that "Leadership...requires forthrightness. Hidden agendas rarely, if ever, lead to progress and very often succeed in spoiling the brew." I've never been very good at hiding my agenda, and I'm not about to start trying now.

For four years, my agenda has been to create jobs, protect the family, and promote world peace. Too many times I ran up against a wall -- a partisan guard more determined to takes sides than to take this country forward. March 20 will be an historic watershed in American politics. If the Congress enacts my action plan on the economy by then, the real beneficiaries will not be me, or my re-election, nor the Congress. The real beneficiaries will be the American people who will regain the confidence that they have lost in the ability of Washington to act in their best interest.

If the Congress cannot act, or if it sends to me a bill it knows today I cannot and will not sign, I will take this message to the American people: the problem is Congress. Send a new Congress to Washington next November. In the meantime I will act on my own in the interests of the American people.

I drew a line in the sand a little over a year ago in the Persian Gulf. I kept my word then and tiny Kuwait is free. I have drawn a line in the sand once again -- here in our own

backyard. I will keep my word again and free this economy on behalf of the American people.

Thank you. And God bless you for all the good work you do.

#

ASSOCIATION EXECUTIVES
MARCH 11, 1992
WASHINGTON, D.C.
1:20 P.M.

CHAIRMAN FONDREN, MY FELLOW TEXAN, THANK YOU FOR THAT INTRODUCTION. PRESIDENT TAYLOR. I HEARD A STORY ABOUT HOW WHEN L.B.J. MOVED FROM THE HOUSE TO THE SENATE, JAKE PICKLE AND GENE FONDREN, THEN TEXAS STATE LEGISLATORS, FLIPPED A COIN TO DECIDE WHO'D RUN FOR OFFICE AND GO TO WASHINGTON. WELL, CONGRESSMAN PICKLE'S BEEN CALLING FOR A REMATCH EVER SINCE.

ROBERT FROST ONCE WROTE THAT "AN IDEA IS A FEAT OF ASSOCIATION." WELL, ASSOCIATION IS AN IDEA AS OLD AS THE AMERICAN DREAM ITSELF. ACTUALLY, TOQUEVILLE OVER 150 YEARS AGO HAD MUCH TO SAY ABOUT YOU. HE SAID, "AT THE HEAD OF SOME NEW UNDERTAKING ... IN THE UNITED STATES YOU WILL BE SURE TO FIND AN ASSOCIATION." SINCE THAT TIME ASSOCIATIONS HAVE PLAYED A VITAL ROLE IN OUR COUNTRY'S PROGRESS, AND THEY CONTINUE THAT MISSION TODAY, DEFINING NEW FRONTIERS AND EXPLORING NEW TERRITORY.

BEFORE I SPOKE, PRESIDENT TAYLOR PRESENTED THE ASSOCIATIONS ADVANCE AMERICA AWARDS TO SALUTE THOSE WHO'VE FOUND A WAY TO HELP, TO BE IN FACT, POINTS OF LIGHT. WE HEAR TOO OFTEN ABOUT WHAT'S WRONG IN AMERICA. WELL, THIS IS WHAT'S RIGHT IN AMERICA, AND I SALUTE YOU FOR WHAT YOU ARE DOING TO HELP YOUR COMMUNITIES.

OF COURSE, IT'S AN ELECTION YEAR. INDEPENDENT OF THE CURRENT PREOCCUPATION WITH THE HYPE AND SPIN OF THE CAMPAIGNS, THERE WILL REMAIN THE ISSUES, THE BIG THINGS -- THE CORE CONCERNS OF EVERY AMERICAN -- JOBS, FAMILY, PEACE. THEY HOLD US TOGETHER AS A SOCIETY. THEY ARE MORE THAN ISSUES WE BRING TO THE NEXT ELECTION -- THEY ARE THE LEGACY WE MUST GIVE TO THE NEXT GENERATION.

THAT IS WHAT I WANT TO TALK TO YOU ABOUT TODAY -- NOT JUST THE ISSUES, BUT OUR MOOD AS A NATION, AND HOW WE MUST ACT NOW ON IF WE ARE TO CHANGE AMERICA FOR THE BETTER.

TODAY, WEIGHING MOST HEAVILY IN THE HEARTS AND ON THE MINDS OF AMERICANS IS THE STATE OF THE ECONOMY -- JOBS -- PRESERVING JOBS, CREATING JOBS. YOU IN THIS VERY ROOM KNOW BEST VIRTUALLY EVERY INDUSTRY AND EVERY PROFESSION IN AMERICA. I DON'T HAVE TO TELL YOU THAT PEOPLE ARE WORRIED ABOUT THE FUTURE.

FRANKLY, WE'VE HAD TOUGH ECONOMIC TIMES BEFORE, WITH HIGHER UNEMPLOYMENT -- BUT LESS NATIONAL ALARM. THERE'S SOMETHING DIFFERENT ABOUT TODAY'S TIMES -- SOMETHING THAT TOUCHES A NERVE. IT STRIKES AT THE HEART OF WHAT DRIVES THIS COUNTRY FORWARD -- OUR CONFIDENCE. IT CHALLENGES OUR BELIEF IN OURSELVES.

I'LL GIVE IT TO YOU STRAIGHT: UNEMPLOYMENT IS 7.3% -- ABOUT 9 MILLION PEOPLE OUT OF A TOTAL WORKFORCE OF 126 MILLION. DURING THE 1982 RECESSION, UNEMPLOYMENT HIT ALMOST 11% -- A LEVEL NOT EXPERIENCED SINCE THE GREAT DEPRESSION. SO WE ASK OURSELVES -- WHY IS CONFIDENCE TODAY LOWER THAN AT THE DEPTH OF THE 1982 RECESSION?

^{THOSE N}
I'VE HEARD A LOT OF THEORIES. SOME SAY ~~THE TALKING~~
~~HEADS OF THE MEDIA~~ ^{ANALYSTS.} ARE THE PROBLEM -- REJOICING IN BAD
NEWS. ~~EE YOU'VE HEARD THE SAYING "NO NEWS IS GOOD~~
~~NEWS?"~~ WELL, THE JOKE IS THAT FOR THEM, "GOOD NEWS IS
~~NO NEWS."~~ MAYBE, IT'S LIKE THE BANK ROBBER WHO WANTS
~~TO REPORT ON ALL THE BANKS THAT WEREN'T ROBBED TODAY.]]~~

OTHERS SAY IT'S THE POLITICIANS. I MYSELF HAVE
NOTED THAT IN A POLITICAL YEAR CANDIDATES OFTEN SHOWER
THE VOTERS WITH A MESSAGE SO BLEAK AND HOPELESS -- AT
THE SAME TIME THEY PROMISE THE RAINBOW IF THEY'RE
ELECTED. THAT STEADY DRIZZLE ON THE PEOPLE'S SHOULDERS
CAN WEAR AWAY CONFIDENCE, AND WASH AWAY HOPE. SO IT'S
EASY TO SUPPOSE THAT THE CONSTANT DRUMBEAT ABOUT WHAT'S
WRONG IN AMERICA IS A SELF-FULFILLING PROPHECY.

THERE MAY BE SOME TRUTH TO THAT. BUT I THINK THERE
ARE OTHER REASONS FOR OUR COUNTRY'S MOOD. PEOPLE ARE
FEELING THE WAY THEY DO BECAUSE AMERICA'S GOT SOME REAL
PROBLEMS -- SERIOUS, STUBBORN, NATIONAL PROBLEMS.

BUT I THINK IT WOULD BE UNFAIR AND UNTRUE TO SUGGEST TO THE AMERICAN PEOPLE THAT WE CAN'T OVERCOME THESE PROBLEMS -- TO IMPLY THAT AMERICA IS A COUNTRY IN DECLINE. SO TODAY I WANT TO TALK ABOUT WHAT WE MUST DO TO MEET THE ECONOMIC CHALLENGE THAT IS BEFORE US -- HOW WE CAN BUILD ECONOMIC VITALITY INTO OUR COMMUNITIES -- HOW WE MUST ENSURE THAT OUR CHILDREN SEE A FUTURE THAT IS AN IMPROVEMENT OVER THE PRESENT.

SOMETIMES IT HELPS TO TAKE SOME OF THESE ENORMOUS ISSUES AND BRING THEM DOWN TO THE PERSONAL LEVEL. SO WHEN I TALK ABOUT AMERICA'S ECONOMIC PROBLEMS THIS IS WHAT I MEAN:

THEY ARE THE WORRIES OF PARENTS WHO HAVE WORKED ALL THEIR LIVES TO GET THEIR KIDS THROUGH COLLEGE -- AND THOSE KIDS CAN'T FIND WORK. THEY ARE FOUND IN DISCOURAGED FAMILIES WHO CAN'T AFFORD TO PAY OFF ANYTHING BUT THE INTEREST ON THEIR CREDIT CARDS, MONTH AFTER MONTH AFTER MONTH. THEY ARE THE DOUBTS OF YOUNG PEOPLE WHO BELIEVE THAT TIMES WILL NEVER BE AS GOOD FOR THEM AS THEY WERE FOR THEIR PARENTS. THESE ARE THE THINGS THAT DIM OUR HOPE AND DRAIN OUR CONFIDENCE.

AMERICAN WORKERS CAN SEE THAT TECHNOLOGY AND COMPETITION ARE CHANGING THE WORKPLACE FASTER THAN EVER BEFORE. THEY CAN FEEL THE HEAT -- BOTH AT HOME AND ABROAD. THEY KNOW AMERICAN INDUSTRY IS BEING CHALLENGED TO KEEP UP OR STEP ASIDE -- I'LL TALK FURTHER ABOUT THAT LATER IN THE WEEK IN DETROIT, MICHIGAN. WE LIVE IN A COMPETITIVE WORLD, AND PEOPLE WORRY ABOUT OUR ABILITY TO COMPETE. AMERICAN HOMEOWNERS -- THAT'S ALMOST 70 MILLION PEOPLE -- WORRY THAT THE BIGGEST ASSET THEY WILL EVER HAVE -- THEIR HOME -- WILL LOSE ITS WORTH BECAUSE REAL ESTATE VALUES HAVE DECLINED. THE SAME IS TRUE OF ANY BUSINESS, ASSOCIATION, OR CHARITABLE ORGANIZATION THAT OWNS PROPERTY -- THEY'RE CONCERNED TOO.

FINALLY, AS I DISCUSSED EARLIER THIS WEEK WITH THE LEAGUE OF CITIES, THE DETERIORATION OF THE AMERICAN FAMILY IS VERY SERIOUS -- A ROOT PROBLEM WITH TREMENDOUS RAMIFICATIONS FOR OUR ECONOMIC WELL-BEING AS A NATION.

BUT THE PICTURE IS NOT ALL GLOOM AND DOOM. AMERICA IS NOW THE ONLY SUPERPOWER IN THE WORLD. MILLIONS OF IMMIGRANTS STILL LOOK TO US AS THE LAND OF OPPORTUNITY -- BECAUSE WE ARE. AND OUR ECONOMY IS POISED FOR RECOVERY. INFLATION IS DOWN. INTEREST RATES LOW. INVENTORIES LOW. EXPORTS AT RECORD HIGHS. BUT THIS RECOVERY WILL COME SOONER, AND STRONGER ONLY IF WE IN GOVERNMENT ACT NOW.

IN JANUARY, I SENT THE CONGRESS A PLAN OF ACTION -
- A STRAIGHTFORWARD SET OF INITIATIVES BASED UPON TRIED AND TRUE ECONOMIC REALITIES. I PROPOSED INCENTIVES FOR BUSINESS TO BUY EQUIPMENT, UPGRADE THEIR PLANTS, AND START HIRING AGAIN. I PROPOSED A SHOT IN THE ARM TO GET THE HOUSING INDUSTRY BACK ON ITS FEET -- LEAD US INTO ECONOMIC RECOVERY THIS SPRING. I PROPOSED A TAX CUT ON CAPITAL GAINS.

THEN I OFFERED A BROADER PLAN OF ACTION TO KEEP US STRONG AND ECONOMICALLY VIGOROUS IN THE YEARS AHEAD. IT INCLUDED: EDUCATION REFORM CALLED AMERICA 2000 TO BRING THE SKILLS OF OUR FUTURE WORKERS UP TO A STANDARD OF EXCELLENCE. IT INCLUDED A CLAMPDOWN ON EXCESSIVE REGULATIONS THAT HURT OUR COMPETITIVENESS AND REFORM OF OUR LEGAL SYSTEM SO THAT AMERICANS CAN SPEND MORE TIME INNOVATING AND LESS TIME LITIGATING. I PROPOSED RECORD FEDERAL SUPPORT OF RESEARCH AND DEVELOPMENT TO KEEP OUR NATION ON THE CUTTING EDGE OF NEW TECHNOLOGIES, AND NEW INCENTIVES FOR BUSINESS INVESTMENT. I PROPOSED A FORWARD LOOKING TRADE POLICY THAT DEMANDS FOREIGN MARKETS OPEN UP TO HIGH-QUALITY AMERICAN GOODS AND SERVICES. AND I REITERATED OUR DETERMINATION TO HOLD THE LINE ON GOVERNMENT SPENDING AND OPPOSE NEW TAXES.

BIG ISSUES. BIG CHALLENGES. THIS IS THE PLAN I PROPOSED -- AND I SET A DEADLINE FOR CONGRESS TO ACT. AND WHILE THE CONGRESS DIDN'T HAVE A COMPREHENSIVE PLAN OF ITS OWN, IT DIDN'T LIKE THE NOTION OF A DEADLINE. INSTEAD, WITH GREAT AND EARNEST DELIBERATION, THE CONGRESS FIXATED ON HOW MUCH MORE TO TAX THE AMERICAN PEOPLE. THEY WOULD HIKE TAXES BY 100 BILLION DOLLARS. THEIR PLAN DESTROYS JOBS. MY PLAN CREATES JOBS.

THE LAST THING THIS ECONOMY NEEDS NOW IS A MASSIVE TAX INCREASE. ANY ECONOMIST WORTH HIS SALT WILL TELL YOU THAT. BUT THIS IS NOT NEW. CONGRESS ROUTINELY REFUSES TO TAKE ACTION TO STIMULATE THE ECONOMY -- BUT INSISTS ON JOB DESTROYING TAX INCREASES. EVERYONE KNOWS THAT GOVERNMENT IS TOO BIG AND SPENDS TOO MUCH. EVERYONE KNOWS THAT. AND THERE'S SOMETHING ELSE EVERYONE KNOWS: TOO OFTEN CONGRESS SPENDS THE MONEY OF ITS CUSTOMER, THE AMERICAN TAXPAYER, THE WRONG WAY -- INEFFICIENTLY, INEFFECTIVELY, WITHOUT ACCOUNTABILITY, AND FRANKLY, WITHOUT COMPASSION. SO I CALL ON THE CONGRESS AGAIN: PASS MY PLAN BY MARCH 20, FOR THE GOOD OF THE AMERICAN PEOPLE.

THIS ALL MAY SOUND LIKE SIMPLY AN ELECTION YEAR BLAST AT A CONGRESS CONTROLLED BY THE OTHER PARTY. BUT IT'S NOT. WE NEED A NEW WAY OF LOOKING AT THINGS.

I HAVE MADE PROPOSALS TO BRING BACK RESPONSIBILITY AND ACCOUNTABILITY TO A SYSTEM ANSWERABLE TO NO ONE BUT ITSELF. THEY ARE BASED ON SOME FUNDAMENTAL PRINCIPLES. RELY ON WHAT WORKS. WHEN POSSIBLE, DECENTRALIZE. INSTITUTE CHOICE TO FORCE COMPETITION INTO THE SYSTEM. GIVE PEOPLE MORE POWER TO MAKE THE BIG DECISIONS IN THEIR LIVES. MAKE THE SYSTEM ACCOUNTABLE. UNDERSTAND THE NEW REALITIES OF AMERICA'S GLOBAL POSITION -- THAT WE MUST BECOME MORE COMPETITIVE. THESE ARE IMPORTANT WAYS TO REFORM AND CHANGE AMERICA.

CHAIRMAN FONDREN ONCE SAID THAT "LEADERSHIP...REQUIRES FORTHRIGHTNESS. HIDDEN AGENDAS RARELY, IF EVER, LEAD TO PROGRESS AND VERY OFTEN SUCCEED IN SPOILING THE BREW." I'VE NEVER BEEN VERY GOOD AT HIDING MY AGENDA, AND I'M NOT ABOUT TO START NOW.

MY AGENDA HAS BEEN TO CREATE JOBS, PROTECT THE FAMILY, AND PROMOTE WORLD PEACE. TOO MANY TIMES I RUN UP AGAINST A WALL -- A PARTISAN GUARD MORE DETERMINED TO TAKE SIDES THAN TO TAKE THIS COUNTRY FORWARD. MARCH 20 WILL BE AN IMPORTANT DATE. IF THE CONGRESS ENACTS MY ACTION PLAN ON THE ECONOMY BY THEN, THE REAL BENEFICIARIES WILL BE THE AMERICAN PEOPLE.

IF THE CONGRESS CANNOT ACT, OR IF IT SENDS TO ME A BILL IT KNOWS TODAY THAT I CANNOT AND WILL NOT SIGN, I WILL TAKE THIS MESSAGE TO THE AMERICAN PEOPLE: THE PROBLEM IS CONGRESS. SEND A NEW CONGRESS TO WASHINGTON NEXT NOVEMBER. IN THE MEANTIME I WILL ACT ON MY OWN IN THE INTERESTS OF THE AMERICAN PEOPLE.

I DREW A LINE IN THE SAND A LITTLE OVER A YEAR AGO IN THE PERSIAN GULF. I KEPT MY WORD THEN AND WE LIBERATED KUWAIT. I HAVE DRAWN A LINE IN THE SAND ONCE AGAIN -- RIGHT HERE IN OUR OWN BACKYARD. I WILL KEEP MY WORD AGAIN AND IF WE ALL DO OUR PART, WE CAN ENSURE THAT OUR ECONOMY, AND OUR COUNTRY GET BACK ON THE RIGHT TRACK.

THANK YOU. AND GOD BLESS YOU FOR ALL THE GOOD WORK
YOU DO.

#