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PRESIDENTIAL REMARKS: AL EXCHANGE COUNCIL
WASHINGTON, D.C.
APRIL 28, 1989

President ____, ladies and gentlemen, friends -- Democratic and Republican -- and I do mean friends.

Thank you for that introduction, and for your generous welcome. And let me say what a pleasure it is to be here.

You know, a politician once reminded me of the saying, "Problems are really opportunities in disguise." But then he added, laughing, "There are times I feel there are more opportunities running around in disguise than I really deserve!"

It's true: Sometimes, we all feel that problems overwhelm us. Our task is to convert them into opportunities that are real, not disguised. For only then can we truly serve the people. And only then can government at every level keep America No. 1.

That means reducing the growth of Federal spending. And spurring the investments which spur economic development. It means realizing that in terms of problem-solving, Washington -- unlike Robert Young -- does not automatically Know Best.

Above all, it means cooperation -- between the public and private sectors; between the Executive branch, Congress, and the States. For our problems are too severe for partisan bickering. Remember Ben Franklin: "We will all hang together," he said, "or we will all hang separately."

We see that cooperation in our bipartisan budget agreement with Congress to reduce the deficit. This accord will narrow it to \$99.4 billion in the Fiscal Year that begins October 1. That's far below the \$163 billion estimated for the current fiscal year.

I have said I like what works. This agreement works. Yes, the plan's an agreed outline -- rough talks still lie ahead. But our accord is ahead of schedule, on target with Gramm-Rudman, and with my 'no-new-taxes' pledge intact.

You know, in America nothing is impossible. Perhaps former major-leaguer Craig Nettles put it best. "When I was a little boy," he said, "I wanted to be a baseball player and join the circus. With the Yankees I've accomplished both."

My friends, deficit reduction can help achieve our goals. It will lower interest rates, lift savings rates, and help business invest and build. And so will another step that we can

take together. I'm referring to restoring the capital gains differential.

Now, I've heard, as you have, those people who criticize cutting the capital gains tax as somehow a "tax break" for the rich. Well, they couldn't be more wrong.

Our plan supports reducing the capital gains differential to 15 per cent on long-held assets -- a step which, according to Treasury estimates, will raise \$4.8 billion in new revenue. This revenue will create new jobs. And help reduce the deficit. And it will free money -- not a lot, but some -- to help government at all levels combat problems from child care to education to the scourge of drugs.

Here, too, we will work with you -- not as a superior, but as an equal.

In child care, for instance, our new initiative puts money in the hands of low-income parents, limits Federal intervention, and increases options. Here, we say: "Let the parents decide."

And recently, we unveiled an education program to reward excellence, demand accountability, and spur flexibility and choice. Here, we say: "When possible, let people at the local level decide."

And just this week, I've been talking about how States, localities, and the Federal government can help stem drug abuse. Here, we say: "Community involvement can help America get clean, and stay clean."

I'm talking about cooperation, and partnerships. About America as a family, and our role as family members.

Yes, the Federal government will help, and lead. But we won't bully, nor usurp power for ourselves. For America's genius doesn't lie solely, or even mostly, in Washington, D.C. It resides in Wilmington and Winnetka . . . in Portland, Oregon, and Portland, Maine . . . in the people, and in you -- the people's trustees.

Will Rogers once said, "I love a dog. He does nothing for political purposes." My friends, let us, too, rise above politics to serve the public. And, together, let us build a better, more decent, more prosperous land.

Thank you for coming here, God bless you all, and God bless America.

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