

TO: Senator Dole
FR: Kerry

RE: Remarks to Financial Executive Institute's Committee on
Investment of Employee Benefits Assets

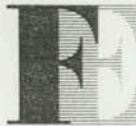
*You will be speaking to approximately 150 senior pension
and investment executives from U.S. corporations.

*They have asked you to speak on the topic of "Competing in
a Global Economy."

*A brief question and answer session will follow.

*Clarkson advises me that C-Span will ^{probably} be filming your remarks.

SPEAK



FINANCIAL EXECUTIVES
INSTITUTE

James A. Kaitz
Vice President - Government Relations

July 30, 1991

The Honorable Bob Dole
United States Senate
141 Hart Office Building
Washington, DC 20510

Dear Senator Dole:

On behalf of the Financial Executives Institute's Committee on Investment of Employee Benefit Assets (CIEBA), I am inviting you to be the keynote speaker at CIEBA's fifth annual meeting on September 26th at the Mayflower Hotel in Washington, D.C.

CIEBA would be interested in your views on the challenges that the nation faces in a global economy and how the U.S. can maintain its leadership position on an international basis. The opening session has tentatively been scheduled from 9:00 a.m. to 10:00 a.m. I anticipate over 150 senior investment executives to participate in the meeting.

The Financial Executives Institute is a professional association of over 13,700 chief financial officers, treasurers and controllers from 7,000 companies based in the United States and Canada. CIEBA and its Advisory Council represent over 170 senior pension executives with investment responsibilities for ERISA-governed assets exceeding \$500 billion.

We hope you will be able to join us for what promises to be a very successful and informative meeting. CIEBA's staff person, Gina Mitchell, will be contacting your office shortly to discuss the details of the invitation.

Sincerely,


Jim Kaitz

Thurs, Sept 26
9:15 ~~9:00 - 10:00 a.m.~~
Mayflower Hotel

1100 Seventeenth Street, N.W.
Suite 1203
Washington, D.C. 20036
(202) 659-3700

Q & A
Press
Q & A
2000-

SENATOR BOB DOLE
REMARKS
COMMITTEE ON INVESTMENT OF
EMPLOYEE BENEFITS ASSETS
SEPTEMBER 26, 1991

THANK YOU. IT'S A PLEASURE
TO BE HERE WITH SUCH A
DISTINGUISHED GATHERING OF
PENSION FUND EXECUTIVES.

**I'M VERY IMPRESSED THAT
THE MEMBER OF C.I.E.B.A.
MANAGE FUNDS TOTALLING
OVER \$550 BILLION...I MIGHT BE
CAREFUL ABOUT LETTING THAT
NUMBER GROW ANY HIGHER, AS
I'M SURE THERE ARE THOSE IN
CONGRESS WHO COULD THINK
OF A THING OR TWO TO DO
WITH IT.**

**I'VE BEEN ASKED THIS
MORNING TO SPEAK FOR A FEW
MINUTES ON HOW THE UNITED
STATES CAN IMPROVE ITS
COMPETITIVENESS IN TODAY'S
GLOBAL ECONOMY.**

**NO DOUBT ABOUT IT,
"COMPETITIVENESS" IS ONE OF
THE CURRENT HOT-BUTTON
ISSUES IN WASHINGTON.**

**THIRTY YEARS AGO, RICHARD
NIXON AND NIKITA KRUSCHEV
ENGAGED IN A "KITCHEN
DEBATE" OVER WHAT TYPE OF
GOVERNMENT WOULD
ULTIMATELY PREVAIL. AND FOR
THE PAST THREE DECADES THAT
QUESTION WAS THE DEFINING
ONE OF OUR TIME.**

**TODAY, THAT DEBATE IS
OVER. DEMOCRACY HAS WON A
CONVINCING AND
OVERWHELMING VICTORY.**

**BUT WHILE WE SWEEP UP THE
TICKER-TAPE FROM THE
VICTORY PARADE, WE MUST BE
CAREFUL TO ENSURE THAT
OTHER COUNTRIES DON'T
MARCH RIGHT BY US.**

**THE DEFINING QUESTION OF
THE 90'S AND BEYOND IS NOT
"WHAT TYPE OF GOVERNMENT IS
BEST?", RATHER, "WHAT
COUNTRY IS BEST ABLE TO
COMPETE ECONOMICALLY."**

**AND LET ME SAY THAT THE
ANSWER TO THAT QUESTION IS
VERY MUCH UP IN THE AIR.**

THE PACIFIC RIM NATIONS

**CONTINUE THEIR REMARKABLE
RECORD OF GROWTH IN THE
WORLD MARKET.**

**IN JUST A SHORT TIME, THE
COUNTRIES OF WESTERN
EUROPE WILL FORM A UNITED
MARKET--A EUROPEAN
COMMUNITY--WITH A COMBINED
GROSS NATIONAL PRODUCT
LARGER THAN OURS.**

**MANY OF THE NEWLY
EMERGING DEMOCRACIES IN
EASTERN EUROPE CLAIM
WORKFORCES YOUNG IN AGE,
AND WITH NEARLY UNIVERSAL
LITERACY.**

**YOU CAN'T OPEN A
NEWSMAGAZINE THESE DAYS
WITHOUT SEEING MULTI-PAGE
INSERTS FOR COUNTRIES LIKE**

**IRELAND, SAUDI ARABIA, OR
KOREA, PROMOTING THEIR
WORKFORCE AND LURING
COMPANIES AND INVESTMENTS.**

**AFTER THE GULF WAR AND
THE COLLAPSE OF COMMUNISM
IN RUSSIA, IT'S CLEAR THAT THE
U.S. IS THE ONLY SUPERPOWER
LEFT IN THE WORLD...AND IF WE
ARE TO REMAIN SO, WE MUST**

**TAKE STEPS TO ENSURE OUR
WORKFORCE AND PRODUCTS
COMPETE AND SUCCEED IN
WORLD MARKET.**

MANDATES

**THE FIRST STEP WE NEED TO
TAKE IS TO GET CONGRESS AND
THE GOVERNMENT OUT OF
MOST OF YOUR BUSINESS
DECISIONS.**

**CONGRESS CAN NOT RESIST
PASSING NEW LAWS AND
SPENDING PROGRAMS. IT USED
TO BE THAT THE FEDERAL
GOVERNMENT WOULD PAY FOR
THESE PROGRAMS. BUT THEN
WE REALIZED THAT WE WERE
BROKE, AND CONGRESS TOLD
THE STATES THEY COULD PAY
FOR THEM. BUT NOW, MANY OF**

**THE STATES ARE BROKE, AND
CONGRESS HAS LOOKED
AROUND AND SAID, "AHA! YOU,
MR. BUSINESSMAN OR
BUSINESSWOMAN CAN PAY FOR
THESE PROGRAMS."**

**THIS FALL, WE'LL BE
DEBATING ONCE AGAIN A
WHOLE LAUNDRY LIST OF
CONGRESSIONAL MANDATES--**

**PARENTAL LEAVE, MANDATORY
HEALTH CARE, A SO-CALLED
CIVIL RIGHTS BILL.**

**NOW, ALL OF THESE SOUND
LIKE GOOD IDEAS...HOW CAN
YOU OPPOSE TAKING TIME OFF
WHEN A CHILD IS BORN OR A
RELATIVE IS SICK?**

**BUT THESE PROGRAMS
AREN'T FREE...THEY CARRY**

**STIFF PRICE TAGS...PRICE TAGS
THAT HARM BUSINESSES AND
HINDER OUR COMPETITIVENESS.**

**INSTEAD OF MANDATES, WHY
DON'T WE ADOPT A PROGRAM
THAT PROMOTES AND DOESN'T
STIFLE GROWTH--A PROGRAM
THAT INCLUDES CAPITAL GAINS
TAX CUTS.**

PRODUCT LIABILITY REFORM:

**AND LET'S GIVE DAN QUAYLE
SOME CREDIT. HE WAS RIGHT
ON TARGET LAST MONTH WHEN
HE SAID THAT THE U.S. LEGAL
SYSTEM UNDERMINES OUR
COMPETITIVENESS AND
PROSPERITY.**

**FOREIGN MANUFACTURERS
CAN HAVE PRODUCT LIABILITY**

**INSURANCE RATES AS LITTLE AS
2% OF THE RATES U.S.
MANUFACTURERS PAY...AND IT'S
ONLY IN THE U.S. THAT SAFE
PRODUCTS, NOTABLY DRUGS,
ARE TAKEN FROM THE MARKET
SIMPLY BECAUSE PROFIT
MARGIN DOESN'T COVER THE
COST OF DEFENDING
FRIVOLOUS LAWSUITS.**

**INDEED, A RECENT BUSINESS
STUDY REVEALED THAT:**

**47% OF U.S. MANUFACTURERS
HAVE WITHDRAWN PRODUCTS
FROM THE MARKET.**

**25% OF U.S. MANUFACTURERS
HAVE DISCONTINUED SOME
FORMS OF PRODUCT
RESEARCH.**

**APPROXIMATELY 15% OF U.S.
COMPANIES HAVE LAID OFF
WORKERS AS A DIRECT RESULT
OF PRODUCT LIABILITY
EXPERIENCE.**

**DESPITE THESE NUMBERS,
THE LIKELIHOOD OF PRODUCT
LIABILITY REFORM IS ALMOST
ZERO. THE TRIAL LAWYERS ARE
A VERY POWERFUL LOBBY IN**

**THIS TOWN. THEY GIVE LOTS OF
MONEY--MOSTLY TO ONE PARTY-
-AND THE STATUS QUO
CONTINUES.**

EDUCATION:

**AND THE STATUS QUO HAS
CONTINUED FOR FAR TOO LONG
IN OUR SCHOOLS. PRESIDENT
BUSH AND SECRETARY
ALEXANDER ARE ABSOLUTELY**

**RIGHT IN TRYING TO SHAKE UP
OUR EDUCATION SYSTEM.**

**IF AMERICA IS TO COMPETE
IN THE FUTURE, THEN WE MUST
BE SURE THAT OUR YOUTH ARE
RECEIVING SKILLS AND
EDUCATION NEEDED TO
COMPETE...IT'S CLEAR THAT
JUST ISN'T HAPPEN.**

**DROP OUT RATES CONTINUE
TO SKY ROCKET---REACHING
50% IN SOME INNER-CITY
SCHOOLS.**

**IN TESTS COMPARING THE
MATH AND SCIENCE SKILLS OF
AMERICA'S 13 YEAR-OLDS WITH
THOSE OF FIVE FOREIGN
COUNTRIES AND FOUR
CANADIAN PROVINCES,**

**AMERICA'S STUDENTS FINISHED
DEAD LAST.**

**NEARLY 50% OF ADVANCED
DEGREES IN MATH AND
ENGINEERING OFFERED BY U.S.
UNIVERSITIES ARE NOW
AWARDED TO FOREIGN
STUDENTS.**

**THERE CONTINUE TO BE
THOSE IN CONGRESS WHO SAY**

**THE WAY TO IMPROVE
EDUCATION IS TO SPEND MORE
MONEY. THE SIMPLE FACT IS
HOWEVER, THAT DOLLAR BILLS
DON'T EDUCATE STUDENTS. IN
FACT, THE UNITED STATES
SPENDS MORE PER STUDENT
THAN EITHER GERMANY OR
JAPAN. TEN YEARS AGO, THE
NATION SPENT \$2,491 PER**

**PUBLIC SCHOOL STUDENT
BELOW THE UNIVERSITY LEVEL.
THIS YEAR THE FIGURE WILL BE
\$5,638--AN INCREASE OF 33%
AND WITH VERBAL SCHOLASTIC
APTITUDE TESTS DECLINING FOR
THE FOURTH STRAIGHT YEAR, I
DON'T THINK THERE'S ANYONE
HERE IN THE ROOM WHO
WOULD SAY THAT WE'VE SEEN A**

**33% IMPROVEMENT IN OUR
SCHOOLS' PERFORMANCE.**

BUDGET DEFICIT

**AND FINALLY, IF AMERICA
WANTS TO COMPETE, THAN
WE'VE GOT TO PUT OUR OWN
FINANCIAL HOUSE IN ORDER.**

**I WAS VERY DISCOURAGED
EARLIER THIS WEEK--THERE'S
NO DOUBT THAT**

**UNEMPLOYMENT BENEFITS
SHOULD HAVE BEEN EXTENDED.
AND I HAD A PLAN THAT WOULD
HAVE DONE SO, AND WOULD
HAVE PAID FOR THE EXPENSES--
AS WE AGREED TO DO IN LAST
YEAR'S BUDGET AGREEMENT.**

**THE DEMOCRATS PLAN WAS
MORE EXPENSIVE, MORE
GENEROUS, AND JUST TACKED**

**THE BILL ON TO THE
DEFICIT...AND YOU KNOW WHICH
ONE PASSED.**

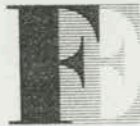
**BEFORE I TAKE YOUR
QUESTIONS, I WANT TO SHARE A
STORY WITH YOU (WITHHOLDING
LETTER STORY)**

**THE POINT OF THE STORY IS
THAT ONE THING WE DON'T
WANT TO BE UNDECIDED ABOUT**

**IS THE FACT THAT ACTION MUST
BE TAKEN IF AMERICA IS TO
REMAIN COMPETITIVE.**

**WOULD HOPE THAT WHILE
YOU'RE IN TOWN, YOU WOULD
TAKE THE TIME TO GO VISIT
YOUR CONGRESSMAN AND
SENATOR, AND SHARE YOUR
CONCERNS. IF I'M NOT
MISTAKEN, NEXT YEAR IS AN**

**ELECTION YEAR, AND
CONGRESS'S HEARING ALWAYS
IMPROVES...
THANK YOU.**



FINANCIAL EXECUTIVES
INSTITUTE

James A. Kaitz
Vice President - Government Relations

July 30, 1991

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United States Senate
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Washington, DC 20510

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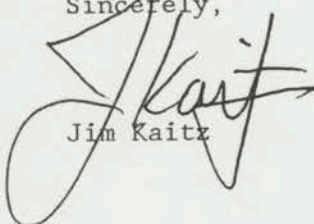
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Sincerely,


Jim Kaitz

1st mtg room on left

Headquarters: 10 Madison Ave., P.O. Box 1938, Morristown, NJ 07962-1938 (201) 898-4600

Thurs, Sept 26
~~9:00 - 10:00 a.m.~~
Mayflower Hotel

9:15

1100 Seventeenth Street, N.W.
Suite 1205
Washington, D.C. 20036
(202) 659-3700

Q & A
Press

2,000-

8-20 confirmed w/ Gina Mitchell