

The Business Council

888 17th Street, N.W., Suite 506
Washington, DC 20006
(202) 298-7650
FAX (202) 785-0296

Regular Meeting
Park-Hyatt Washington

Wednesday & Thursday
February 22-23, 1995

AGENDA

Thursday, February 23, 1995

7:00 a.m. Continental Breakfast The Tivoli Room

8:00 a.m. Edgar S. Woolard, Jr. Convenes Business Session The Ballroom
Introduces Ralph S. Larsen, Program Chairman

Newt Gingrich (R-GA), The Speaker of the House of Representatives
Richard A. Gephardt (D-MO), House Minority Leader
Thomas A. Daschle (D-SD), Senate Minority Leader
Robert Dole (R-KS), Senate Majority Leader

10:00 a.m. B R E A K

Health Care:
A View from the State House

Michael O. Leavitt, Governor of Utah
Chairman, Republican Governors' Association

Business Innovation in Health Care

Moderator: Richard B. Wirthlin
Chairman & CEO, The Wirthlin Group
Lawrence A. Bossidy, Chairman & CEO
AlliedSignal Inc.
Lawrence P. English, President
CIGNA HealthCare
Robert R. Waller, President & CEO
Mayo Foundation

12:00 Noon A D J O U R N

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The Tivoli Room
The Ballroom

6:30 p.m. Reception

7:30 p.m. Dinner

Speaker: The Honorable Bill Clinton
President of the United States of America

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12:00 Noon ADJOURN

2/21/95 - 9:26 AM

Page 1

The Business Council
Indicated Attendance - February 1995 Meeting

MEMBERS:

Howard P. Allen, Chairman, Executive Committee, SCEcorp & Southern California Edison Company

Robert E. Allen, Chairman & CEO, AT&T Corporation

Ronald W. Allen, Chairman, President & CEO, Delta Air Lines, Inc.

Rand V. Araskog, Chairman, President & CEO, ITT Corporation

Samuel H. Armacost, General Partner, Weiss, Peck & Greer Investments

H. Brewster Atwater, Jr., Chairman & CEO, General Mills, Inc.

Curtis H. Barnette, Chairman & CEO, Bethlehem Steel Corporation

Tom H. Barrett, Retired Chairman & CEO, The Goodyear Tire & Rubber Company

Riley P. Bechtel, President & CEO, Bechtel Group, Inc.

S. D. Bechtel, Jr., Chairman Emeritus, Bechtel Group, Inc.

Lawrence A. Bossidy, Chairman & CEO, AlliedSignal Inc.

James L. Broadhead, Chairman & CEO, FPL Group, Inc.

John H. Bryan, Chairman & CEO, Sara Lee Corporation

John E. Bryson, Chairman & CEO, SCEcorp and Southern California Edison Company

James E. Burke, Retired Chairman & CEO, Johnson & Johnson and Chairman, Partnership for a Drug-Free America

M. Anthony Burns, Chairman, President & CEO, Ryder System, Inc.

Edmund M. Carpenter, Chairman & CEO, General Signal Corporation

Richard A. Clarke, Chairman, Pacific Gas & Electric Company

John L. Clendenin, Chairman & CEO, BellSouth Corporation

John W. Creighton, Jr., President & CEO, Weyerhaeuser Company

Robert A. Day, Chairman & CEO, Trust Company of the West

Frederick B. Dent, Chairman & CEO, Mayfair Mills, Inc.

Kenneth T. Derr, Chairman & CEO, Chevron Corporation

Walter Y. Elisha, Chairman & CEO, Springs Industries, Inc.

Robert F. Erburu, Chairman & CEO, The Times Mirror Company

William T. Esrey, Chairman & CEO, Sprint Corporation

E. Hervey Evans, Jr., Former President & CEO, McNair Seed Company

John B. Fery, Chairman, Boise Cascade Corporation

Thomas F. Frist, Jr., Chairman, Columbia/HCA Healthcare Corporation

Louis V. Gerstner, Jr., Chairman & CEO, IBM Corporation

Raymond V. Gilmartin, President & CEO, Merck & Co., Inc.

Sam L. Ginn, Chairman & CEO, AirTouch Communications

David D. Glass, President & CEO, Wal-Mart Stores, Inc.

Joseph T. Gorman, Chairman & CEO, TRW Inc.

Harry J. Gray, Chairman, Executive Committee, American Medical International, Inc. & Former Chairman & CEO, United Technologies Corporation

H. J. Haynes, Retired Chairman & CEO, Chevron Corporation

Charles A. Heimbold, Jr., President & CEO, Bristol-Myers Squibb Company

Glen H. Hiner, Chairman & CEO, Owens-Corning Fiberglas Corporation

Amory Houghton, Jr., U.S. Representative

James R. Houghton (R-NY), Chairman & CEO, Corning Incorporated

William R. Howell, Chairman, J. C. Penney Company, Inc.

Allen F. Jacobson, Retired Chairman & CEO, 3M

2/21/95 - 9:26 AM

Page 2

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Samuel C. Johnson, Chairman, S. C. Johnson & Son, Inc.
 Michael H. Jordan, Chairman & CEO, Westinghouse Electric Corporation
 Jerry R. Junkins, Chairman, President & CEO, Texas Instruments Incorporated
 David T. Kearns, Retired Chairman & CEO, Xerox Corporation
 Robert D. Kennedy, Chairman & CEO, Union Carbide Corporation
 James L. Ketelsen, Retired Chairman & CEO, Tenneco Inc.
 James W. Kinnear, Retired President & CEO, Texaco Inc.
 Charles F. Knight, Chairman & CEO, Emerson Electric Co.
 Ralph S. Larsen, Chairman & CEO, Johnson & Johnson
 Kenneth L. Lay, Chairman & CEO, Enron Corp.
 William S. Lee, Chairman Emeritus, Duke Power Company
 Howard M. Love, Retired Chairman & CEO, National Intergroup, Inc.
 James T. Lynn, Retired Chairman & CEO, Aetna Life & Casualty Company
 Robert H. Malott, Chairman, Executive Committee, FMC Corporation
 Reuben Mark, Chairman & CEO, Colgate-Palmolive Company
 J. W. Marriott, Jr., Chairman, President & CEO, Marriott Corporation
 Hamish Maxwell, Chairman of the Executive Committee, Philip Morris Companies Inc.
 Buck Mickel, Retired Vice Chairman, Fluor Corporation
 G. William Miller, Chairman, G. William Miller & Co., Inc.
 Roger Milliken, Chairman & CEO, Milliken & Company
 Richard M. Morrow, Retired Chairman & CEO, Amoco Corporation
 Joseph Neubauer, Chairman & CEO, ARAMARK Corporation
 Lucio A. Noto, Chairman & CEO, Mobil Corporation
 James J. O'Connor, Chairman & CEO, Commonwealth Edison Company
 Paul H. O'Neill, Chairman & CEO, Aluminum Company of America
 John D. Ong, Chairman & CEO, The BFGoodrich Company
 Paul F. Orefice, Retired Chairman & CEO, The Dow Chemical Company
 Dennis J. Picard, Chairman & CEO, Raytheon Company
 Lewis E. Platt, Chairman, President & CEO, Hewlett-Packard Company
 Lawrence R. Pugh, Chairman & CEO, VF Corporation
 Lee R. Raymond, Chairman & CEO, Exxon Corporation
 John S. Reed, Chairman & CEO, Citicorp
 John M. Richman, Former Chairman & CEO, Kraft, Inc.
 James D. Robinson III, Former Chairman & CEO, American Express Co., President, J. D. ROBINSON INC.
 Richard M. Rosenberg, Chairman & CEO, BankAmerica Corporation
 Henry B. Schacht, Chairman, Cummins Engine Company, Inc.
 John Sculley, Former Chairman & CEO, Apple Computer, Inc.
 Walter V. Shipley, Chairman & CEO, Chemical Banking Corporation
 Frank A. Shrontz, Chairman & CEO, The Boeing Company
 Andrew C. Sigler, Chairman & CEO, Champion International Corporation
 C. J. Silas, Retired Chairman & CEO, Phillips Petroleum Company
 John F. Smith, Jr., CEO & President, General Motors Corporation
 Roger B. Smith, Retired Chairman & CEO, General Motors Corporation
 Sherwood H. Smith, Jr., Chairman & CEO, Carolina Power & Light Company
 William D. Smithburg, Chairman & CEO, The Quaker Oats Company
 John W. Snow, Chairman, President & CEO, CSX Corporation

2/21/95 - 9:26 AM

Page 3

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John R. Stafford, Chairman, President & CEO, American Home Products Corporation
Robert C. Stempel, Retired Chairman & CEO, General Motors Corporation
W. Reid Thompson, Chairman, Executive Committee, Potomac Electric Power Company
Donald H. Trautlein, Retired Chairman & CEO, Bethlehem Steel Corporation
Alexander J. Trotman, Chairman & CEO, Ford Motor Company
H. A. Wagner, Chairman, President & CEO, Air Products & Chemicals, Inc.
John L. Weinberg, Senior Chairman, Goldman, Sachs & Co.
William L. Weiss, Retired Chairman & CEO, Ameritech Corporation
John F. Welch, Jr., Chairman & CEO, General Electric Company
Robert C. Winters, Chairman Emeritus, Prudential Insurance Company
Edgar S. Woolard, Jr., Chairman & CEO, E. I. duPont de Nemours & Company
Douglas C. Yearley, Chairman, President & CEO, Phelps Dodge Corporation

**AS YOU KNOW, I'VE HAD THE
PLEASURE OF SPEAKING TO THIS
GROUP ON MANY OCCASIONS OVER
THE YEARS. BUT TODAY IS
DIFFERENT.**

**THIS IS THE FIRST TIME SINCE
1954 THAT THE BUSINESS COUNCIL
HAS BEEN IN WASHINGTON WHEN
REPUBLICANS HAVE CONTROLLED
THE CONGRESS.**

**LOOKING AROUND THE ROOM, I
DON'T SEE TOO MANY PEOPLE HERE
WHO WERE MEMBERS OF THE
BUSINESS COUNCIL IN 1954, BUT I
DO KNOW THAT YOUR KEYNOTE
SPEAKER WAS STROM THURMOND.**

**AND THE FIRST THING I WANT
TO DO THIS MORNING IS TO SAY
"THANK YOU" TO ALL THOSE WHO
HELPED TO MAKE OUR MAJORITY
POSSIBLE.**

**FOR THOSE WHO DIDN'T HELP,
THEN LET ME ASSURE YOU THAT
THERE'S STILL TIME.**

**I'M HERE TODAY FOR TWO
REASONS.**

**THE FIRST IS TO JOIN WITH THE
OTHER MEMBERS OF THE
CONGRESSIONAL LEADERSHIP IN
PREVIEWING WHAT TO EXPECT IN
THE COMING MONTHS.**

**I DON'T KNOW WHAT NEWT
TOLD YOU THIS MORNING, BUT I
CAN GUARANTEE YOU I'M PRETTY
MUCH IN AGREEMENT WITH
WHATEVER HE SAID--AS LONG AS
IT DIDN'T INVOLVE GIRAFFES.**

**FROM MY POINT OF VIEW, NEWT
IS DOING AN OUTSTANDING JOB AS
SPEAKER. THE HOUSE "CONTRACT"
IS SLIGHTLY DIFFERENT FROM THE
PLEDGES THAT REPUBLICAN**

**SENATE CANDIDATES MADE IN
1994. AND THE HOUSE RULES
GUARANTEE THAT THEY CAN MOVE
FASTER THAN WE CAN.**

**BUT WE SHARE THE SAME
MISSION: AND THAT'S TO REIN IN
THE FEDERAL GOVERNMENT. THAT
MEANS MAKING GOVERNMENT A
WHOLE LOT SMALLER, A LOT LESS
ARROGANT, AND GETTING IT OUT
OF MATTERS BEST LEFT TO THE**

**STATES, CITIES, BUSINESSES, AND
FAMILIES ACROSS AMERICA.**

**IN SHORT, WE WANT TO DUST
OFF THE 10TH AMENDMENT, AND
RESTORE IT TO ITS RIGHTFUL PLACE
IN THE CONSTITUTION.**

**AND WE TOOK OUR FIRST STEP
TO DOING THAT BY PASSING
UNFUNDED MANDATES
LEGISLATION IN BOTH THE HOUSE
AND THE SENATE.**

**I THINK A CONFERENCE
COMMITTEE WILL IRON OUT THE
MINOR DIFFERENCE SOON, AND WE
SHOULD SEND IT TO THE PRESIDENT
IN A MATTER OF WEEKS.**

**THIS LEGISLATION DOESN'T JUST
AFFECT STATE AND LOCAL
GOVERNMENTS--IT ALSO AFFECTS
YOU, BECAUSE STATE AND LOCAL
GOVERNMENT PASSED ALONG THE**

COSTS OF MANDATES TO TAXPAYERS.

**NOW, I KNOW YOU HEARD FROM
PRESIDENT CLINTON LAST NIGHT,
AND I'M SURE HE TOLD YOU THAT
HE HEARD THE MESSAGE OF LAST
NOVEMBER, AND THAT HE'S IN
FAVOR OF REDUCING THE SIZE AND
SCOPE OF GOVERNMENT.**

**AND I HOPE THAT ONE OR TWO
OF YOU MIGHT HAVE VERY**

**RESPECTIVELY MENTIONED THAT IF
HE'S FOR LESS GOVERNMENT
INTRUSION, THEN WHY HAS HE
APPARENTLY DECIDED TO ISSUE AN
EXECUTIVE ORDER THAT WOULD
PROHIBIT FEDERAL CONTRACTORS
FROM HIRING PERMANENT
REPLACEMENT-WORKERS DURING A
STRIKE.**

**AS YOU KNOW, THE DEMOCRAT
CONGRESSES OF THE PAST HAVE
TRIED AGAIN AND AGAIN TO PASS
STRIKER REPLACEMENT
LEGISLATION--AND WITH YOUR
HELP, WE WERE ABLE TO STOP IT
EVERY TIME.**

**AND NOW PRESIDENT CLINTON
WANTS TO ATTEMPT AN END RUN
AROUND THE LEGISLATIVE
PROCESS AND FORMULATE LABOR-**

**MANAGEMENT POLICY THROUGH
AN EXECUTIVE ORDER.**

**IT'S BAD POLICY, IT WOULD SET
A TERRIBLE PRECEDENT, AND
SENATOR KASSEBAUM AND I HAVE
SENT A LETTER TO THE PRESIDENT
URGING HIM TO CHANGE HIS MIND.**

**RIGHT NOW IN THE SENATE,
WE'RE TRYING TO MAKE SURE
THAT A HANDFUL OF SENATORS
WHO SUPPORTED THE BALANCED**

**BUDGET AMENDMENT IN THE PAST
DON'T CHANGE THEIR MIND NOW
THAT WE'RE SHOOTING WITH REAL
BULLETS.**

**THE VOTE IS SCHEDULED FOR
NEXT TUESDAY, AND IT'S GOING
TO BE VERY CLOSE. SOME HAVE
SUGGESTED THAT IT'S BETTER FOR
US TO LOSE BY ONE OR TWO
VOTES, SO REPUBLICANS CAN GO
OUT AND CAMPAIGN ON THE ISSUE**

**IN 1996, AND THEY MAY HAVE A
POINT. I HAPPEN TO BELIEVE,
HOWEVER, THAT PASSING THE
BALANCED BUDGET AMENDMENT
NOW IS THE CORRECT COURSE TO
TAKE.**

**AFTER IT'S ADOPTED, WE WILL
IMMEDIATELY BEGIN WORK ON A
DETAILED FIVE YEAR PLAN THAT
WILL PUT THE FEDERAL BUDGET ON
A PATH TO BALANCE BY 2002.**

**THIS PLAN WILL NOT INCREASE
TAXES, AND IT WILL NOT TOUCH
SOCIAL SECURITY--BUT
EVERYTHING ELSE WILL BE ON THE
TABLE.**

**OTHER ITEMS ON OUR AGENDA
IN THE SENATE ARE THE LINE ITEM
VETO, TELECOMMUNICATIONS,
CRIME, AND PRODUCT LIABILITY
AND TORT REFORM. WE'VE COME
CLOSE ON TORT REFORM THE PAST**

**FEW SESSIONS, AND I THINK THIS
MAY BE THE YEAR. BUT YOU CAN
BET THAT THE AMERICAN TRIAL
LAWYERS ASSOCIATION WILL BE
FIGHTING IT EVERY STEP OF THE
WAY.**

**I'M ALSO PROUD TO HAVE
INTRODUCED THE MOST SWEEPING
DEREGULATORY BILL IN MEMORY.**

**THIS LEGISLATION WOULD
REQUIRE MAJOR REGULATIONS--**

**THOSE WITH A \$50 MILLION
IMPACT ON THE ECONOMY--TO
UNDERGO A COST-BENEFIT
ANALYSIS BEFORE THEY GO INTO
EFFECT.**

**JUST AS IMPORTANT, THIS BILL
WILL BEGIN A PROCESS THAT
ENSURES THAT WE STOP USING
THE MOST ABSURD SCENARIO
POSSIBLE WHEN EVALUATING RISKS
TO HUMAN HEALTH AND SAFETY.**

**WE NEED TO INJECT REALISM INTO
THE RISK ASSESSMENT PROCESS.**

**MY LEGISLATION ALSO
CONTAINS A PROVISION THAT WILL
ALLOW FOR REVIEW OF EXISTING
RULES. WE DON'T JUST WANT TO
PREVENT MISTAKES IN THE FUTURE-
-WE ALSO WANT TO REIN IN
GOVERNMENT TODAY.**

**AND WE'LL BE LOOKING AT
HEALTH CARE REFORM. BUT**

**INSTEAD OF LOCKING OUT
BUSINESSES FROM THE
LEGISLATIVE PROCESS, WE'LL BE
ASKING FOR YOUR IDEAS.**

**I HOPE THAT ALL OF YOU SAW
THE NEW YORK TIMES ARTICLE
FROM LAST WEEK THAT DETAILED
HOW HEALTH COSTS PAID BY
EMPLOYERS DROPPED FOR THE
FIRST TIME IN A DECADE.**

**THIS IS PROOF THAT THE
MARKETPLACE IS WORKING TO
RESTRAIN MEDICAL COSTS, AND
THAT LEGISLATION LIKE THE
CLINTON PROPOSAL OF LAST YEAR
IS THE WRONG SOLUTION.**

PRESIDENTIAL

**NOW LET ME TURN TO THE
SECOND REASON I'M HERE TODAY.**

**AND THAT'S THE FACT THAT
WHILE THE MAYFLOWER IS A NICE
PLACE TO MEET, I CAN THINK OF A
BETTER PLACE.**

**AND TWO YEARS FROM NOW--IN
FEBRUARY OF 1997--I THINK THIS
MEETING SHOULD BE HELD IN THE
WHITE HOUSE. AND I'D LIKE TO
WELCOME YOU THERE.**

**WHILE IT WON'T BE OFFICIAL
UNTIL APRIL 10, I'LL LET YOU IN ON**

**THE SECRET THAT I'M RUNNING
FOR PRESIDENT. AND IF ANY OF
YOU HAVE SOME EXTRA TIME ON
YOUR HANDS, I WOULD LIKE YOUR
SUPPORT.**

**I WOULD ESPECIALLY LIKE THE
SUPPORT OF ALL THOSE WHO HAVE
EMPLOYEES THAT LIVE IN NEW
HAMPSHIRE.**

**MAKING THIS DECISION WAS A
TWO-STEP PROCESS FOR ME. THE**

**FIRST OCCURRED LAST JUNE, AT
THE CEREMONIES MARKING THE
ANNIVERSARY OF D-DAY, WHEN I
RETURNED TO THE HILLS OF ITALY I
HAD CLIMBED NEARLY 50 YEARS
BEFORE, AS A PLATOON LEADER IN
THE 10TH MOUNTAIN DIVISION.**

**AS I WALKED AND TALKED WITH
10TH MOUNTAIN VETERANS AND
THEIR FAMILIES, I THOUGHT ABOUT
THE AMERICA OF OUR YOUTH...THE**

**AMERICA WE RISKED OUR LIVES TO
PROTECT, AND ABOUT OUR HOPES
FOR THE GENERATIONS WHO
WOULD FOLLOW US.**

**I DID A LOT OF THINKING THAT
DAY, AND ON THE RETURN TRIP
HOPE. AND I CONCLUDED THAT
PERHAPS THERE WAS ONE MORE
MISSION...ONE MORE CALL TO
SERVE.**

**I THOUGHT I MIGHT HAVE
SOMETHING THE COUNTRY NEEDS
RIGHT NOW IN HER PRESIDENT:
SOMEONE WHO KNOWS WHAT
MADE AMERICA GREAT IN THE
FIRST PLACE...SOMEONE WHO
KNOWS WHAT HAS BEEN
SACRIFICED TO KEEP US
FREE...SOMEONE WHO WOULD DO
ALL IN HIS
POWER TO LEAD AMERICA BACK TO**

**HER PLACE IN THE SUN--AND WHO
KNOWS THE WAY.**

**AND THE SECOND STEP IN THE
PROCESS CAME LAST NOVEMBER
8TH. MAYBE I WAS HEARING A
MESSAGE I WANTED TO HEAR, BUT
IT SEEMED TO ME THE AMERICAN
PEOPLE WERE SAYING THAT
PRESIDENT CLINTON WAS STEERING
OUR COUNTRY IN THE WRONG
DIRECTION.**

**AND WHILE CHANGING
CONGRESS WAS A GOOD FIRST
STEP, WE'RE NOT GOING TO GET
AMERICA POINTED IN THE RIGHT
DIRECTION UNTIL WE HAVE A
PRESIDENT WHO WILL WORK WITH
THEM AND NOT AGAINST THEM.**

**AND I HOPE THAT YOU WILL SEE
ME AS SOMEONE WHO HAS THE
EXPERIENCE TO KNOW HOW TO GET
AMERICA TURNED AROUND, AND**

**WHO HAS THE VISION TO LEAD IT
IN THE RIGHT DIRECTION.**