

## Remarks to the South Wayne County Chamber of Commerce in Southgate, Michigan October 29, 1992

Thank you, John. Thank all of you very, very much. Please be seated. May I thank the Governor and say how pleased I am that he is leading our campaign in Michigan. There's no way that you can look at an electoral map or look at a map of this country and put priorities on States without realizing the significance that Michigan has for whoever is running for President. And I'm very encouraged with what John told me when we climbed off the plane. I'm encouraged with the way these polls that we live and die by are shaping up.

But today what I thought I'd do, after thanking Heinz Prechter, my old friend—I tell you, you get nervous just around the guy, he's so energetic. He is too much. He's got a thousand ideas. But I'll tell you something. The longer I've been in politics, the more I understand something that I think is a real verity, and that is, friendships really matter. You can tell them when things are tough, the friends that hang in there with you. Heinz has been at my side for some time, and I'm grateful to him. He is doing, as he modestly pointed out, a very good job on the exports. [*Laughter*] So I thank him for that.

I thank Omer and all the rest of you for being here from so many communities. What I thought I'd do today in hopefully a relaxed way—because we go off to these rallies where it's not particularly relaxed—is just make some comments on the economy and try to fairly, to objectively point out the differences that I have with Governor Clinton on this. I'd point out the differences I have with H. Ross on this, but I'm not sure exactly what they are because all he says is “fix it.” Well, we want to fix it, but not by raising the gasoline tax 50 cents, I might add.

So, here we go. Governor Clinton—I honestly believe that they won't—could not win the election unless they convince everybody that the economy is really worse than it is. That led Governor Clinton to say, this is the worst economy in 50 years. It led

a rebuttal from the Wall Street Journal editorial, saying this is talking the biggest economic lies in 50 years.

It isn't the worst economy. You only have to go back to the Jimmy Carter years when you had those interest rates up at 21 percent and inflation that touched 15 percent before you realize that they—and they invented the “misery index,” unemployment and inflation—it was double what it is now, even though we've been through extraordinarily difficult times.

Governor Clinton says we have the—wages are 13th in the world. Our total compensation leads the world. Many of you business people know that the cost of doing business is not simply wages, it is the total package, and total compensation leads the world. That is a good point.

On industrial decline: Governor Clinton says we have industrial decline. He says our economy is somewhere less than Germany but more than Sri Lanka. Well, he ought to get around the world a little bit to understand that we, in spite of our economic difficulties, have an economy that's better than Japan, better than Germany, better than Canada, better than Western Europe, and certainly Eastern Europe and the struggling economies that have just come out from behind the Iron Curtain.

Our farmers, our workers are the world's most productive. Productivity is going up in this country. And the U.S. is gaining manufacturing market. We hear about our manufacturing base being shipped overseas; not so. We are gaining manufacturing market. And yes, some of the companies and maybe some of your businesses have had to streamline, be a little more efficient, modernize. But I do believe that because you've done that, we are poised for a vigorous recovery with interest rates and inflation, as John Engler and Heinz both said, moving towards decade-worth lows there.

Clinton talks about the trickle-down policies benefiting the rich. The fact of it is that the rich pay a higher percentage of the

total taxes than in 1980 and then in the years before that. The reduction in the capital gains and in the top level, even though I want a greater capital gains reduction, led to a bigger percentage of the tax burden being paid by the rich.

Governor Clinton says we can't compete with Japan and Germany; not so. We are the number one exporter. Exports have saved us in these extraordinarily difficult times of global recession, and now I would say global slowdown. Our exports are up 40 percent. They're going to go up more if I accomplish my aim of more free and fair trade agreements.

Governor Clinton talks about a deep recession, bordering on depression. That is simply not true. For a person out of work, it's depression. I'll admit that, and I'll say, listen, we want to help you with job retraining, better education, stimulating the growth of the small business sector so we can create more jobs. Yes, for a person out of work it doesn't matter what you call it, recession, depression; that family is hurting.

But in terms of the overall economy, it isn't true. We have grown now, albeit anemically, for six straight quarters. The technical definition of recession has always been two quarters of negative growth. We have had growth for six straight quarters. And the worst news in the world for Clinton and Gore—and I will admit it surprised us a little—was when the growth came out at 2.7 for the third quarter. That's pretty darn good turnaround here, beginning. It's not robust growth, but it's far more impressive than obviously all these economists had been predicting. So we are not in a recession. We're fixing to move, and we're moving with some of our fundamentals in far better shape.

He always talks about, "Well, the worst since Herbert Hoover." And that is because they don't want to talk about what it was like when we had a Democratic President and a Democratic Congress. That was when we had the Carter years of malaise. Remember the word? Again, the "misery index," a standard that was invented by the Democrats to try to embarrass us, it is half the "misery index" of what it was when Jimmy Carter went out of office.

We have had six quarters of growth. The

last one, as I say, was 2.7. And if you look, and some of you all know this, we are growing much better than Japan and Germany. Germany had negative growth for the last month. Japan was half of our growth when it was 1.7. So it is not fair to try to scare the American people and tell them how bad everything is.

We are in a global economy, and that's one reason I think international affairs and understanding of the world matter. Because I am convinced that if we do what we must do in exports, it's the United States that's going to lead the world, not just for United States economy but for the global economy. So we are doing better than those trading partners that Governor Clinton keeps holding up to us as an image.

We've got another difference. Eastern Europe and certainly Russia and other countries, because of our policies, I think, peace through strength—and I salute my predecessor—are free now, and they're democratic, and they are moving. They're moving away from the very kinds of policy that Governor Clinton's talking about. He talks about Government investing. Government does not create productive jobs. The private sector does. This is perhaps the most major difference I have with him in the economic field. It is not the Government that creates jobs.

He wants to get more money, \$220 billion in new spending right off the top. And I want to hold the line, constrain the growth of the mandatory spending programs, get them under control because they're the ones that are increasing this deficit all the time, and then stimulate growth. Invest, if you will, but have the private sector do it through investment tax allowance or first-time homebuyers tax credit or capital gains. The Democrats have called capital gains a break for the rich. It is no such thing. We get a proper level of capital gains, it will spur entrepreneurship and spur creativity in starting new businesses.

Governor Clinton says, "Well, I'm a different kind of Democrat," but his tax increase that he's already proposed of \$150 billion that he says he'll get from the rich—no way—is more than Mondale and Dukakis said to start, for openers. You add those two

together, and Clinton's approach is higher. And I just don't believe, even if we were not in a very slow economic growth period, I just don't believe that taking more of the GDP in taxes is the answer. So we've got a fundamental difference on that.

Clinton asked the other morning how much things cost. And I would simply remind him what it would have been like if we'd have continued with the Carter rates of inflation. Take milk today, what, \$2.70, say. It would have been something like \$8.23 if that rate of inflation had continued. Gasoline—I don't even—different prices in different communities. But you can get it for, what, \$1.19, \$1.25. If you use that math to continue their inflation, you'd be in orbit, 56 bucks. [Laughter] So I think that may be a little unfair to project that inflation rate, but that's what we were up against. We forget that as a nation. We simply cannot go back to policies that brought that out.

People have been able to refinance their mortgages because we brought the interest rates down. People say, "Well, are you better off than you were?" Well, it depends who you're talking to. If you can refinance your home and save \$600, \$700, maybe \$2,000 in a year, you're better off, provided you're working. If you're a senior citizen and your interest rates are—your inflation rate is down, you are far better off than if you'd stayed there with anything like the Carter rate of inflation, because you would have had your savings disappear, blow up right in front of your eyes.

Also in a foreign affairs sense, if you're a kid you're better off because you grow up with less fear of nuclear war. And if you're an ethnic American, and there's plenty of them around this State of Michigan, you're better off because your parents and your family are growing up under freedom and democracy and not under the yoke of communism.

So that question that they try to use against me I think should be selectively asked. I think that in totality a lot of people would be better off. Again, that doesn't mean we shouldn't empathize with and feel great compassion for those who are hurting and those who are out of work.

I have a big difference with Governor Clinton on exports. A billion dollars in ex-

ports creates 20,000 new jobs. And I hear a lot of talk out of Governor Clinton on the free trade agreement. You heard the debate. He tries to have it both ways.

I've discovered as President, you can't do that. You can't say on the one hand, and then on the other. You can't be for the NAFTA agreement one day and then have caveats the next. You can't be for right-to-work in one State, and then oppose it when you talk to the union leaders in another State. You can't be for the CAFE standards when you're trying to win over the Sierra Club, and then come up here and tell the workers that you don't mean it.

So we have a big difference on exports. And I believe the North American free trade agreement will create jobs. I'm absolutely convinced it will create 200,000 jobs. I want to see that followed with trade agreements with Chile. I want to see it with Eastern Europe. And let's never forget we are a Pacific power as well, and free and fair trade with access to those markets under a much freer basis will mean jobs for the American worker.

So we have a big difference in how we approach the market, how we approach the marketplace. And I know that there's some people that get dislocated, but very few when you look at the totality of new jobs. And for those you have a vigorous retraining program. We've proposed one that I think will take care of the requirements.

I also get asked, particularly in Michigan, about "Well, why won't all the jobs be shipped to Mexico?" Or I get charged by Governor Clinton and the Ozone Man—[laughter]—saying that all the jobs will be switched down to Mexico. My rhetorical question is, if labor rates are the basis for shipping companies overseas, how come Haiti isn't the industrial capital of the world, or Mexico, today? It isn't. I read in the paper that General Motors might bring 1,000 jobs back from Mexico. So we should not let them scare the American people by this siren's song of protection. It does not work. It shrinks markets and puts people out of work.

So in all of these areas we have a major difference. I still feel that my idea of stimulating investment for small business that I

clicked off a minute ago, with less regulation, less taxes, is a far better way to go than the investing in America through the Government taking your money and trying to invest it.

On health care, I've got a big difference. Governor Clinton wants a payroll tax for health care and training. He says he doesn't, but his program would lead to that. And mine, through tax credits and vouchers to the poorest of the poor, for the vouchers and for relief for the next bracket and pooling of insurance and doing something about these crazy malpractice suits that cost 25 to 50 billion dollars, is the way to go.

He wants to set up a Government board. A Government board ends up in rationing health care. And we've got the best quality of health care in the world. And the way to keep it up is to keep the system as private as possible and not slap a 7 percent payroll tax on small business. So we've got a big difference on that.

I believe that the answer to being competitive in the future is education. But again, Clinton's program is to go for expanding mandated programs. And ours, America 2000 is for getting the teachers and the parents and the community involved in revolutionizing schools through our New American Schools Corporation, but not emphasizing the bureaucracy or catering to the NEA, which is a powerful union which has simply presided over the building up of educational bureaucracy. So I've got a big difference on education.

One of the biggest areas of difference that affects the economy is the area of legal reform. I touched on it, but the Arkansas trial lawyers head says, "Well, the Governor has never stood against us at all." You look at where the funds come from for the campaigns, and they are in his corner 100 percent. The costs in this are just absolutely outrageous. I have sent legislation up after legislation to put a cap on some of these outrageous liability claims, because we are suing each other too much and caring for each other too little in this country. And we've got to do something about it.

I believe on health—well, I mentioned the health care plan.

On CAFE standards, this one I have a very big difference with him. In Lansing,

Governor Clinton said, and I will give you the quote, "I defy anyone to find where we said it should be in legislation." But here is the Bill Clinton national energy strategy, and here is a quote in that, "I support an increase in corporate average fuel economy standards. The 45-miles-per-gallon standard should be incorporated into national legislation."

Now, in my view, that would throw an awful lot of auto workers out of work. Every automotive expert says to meet those 45-mile-per-gallon, say nothing of 40, standards would be a tremendous burden and almost scientifically impossible for tomorrow on the auto industry. And I don't think that's what we need to do in order to get this industry moving again. So I have a very big difference on that one.

I mentioned regulation generally. Some of that is legislative. And very candidly, I must accept some of the responsibility for the executive branch. We have put a freeze on legislation. All I want you to know is we are going to try to do a superb job on lifting the regulatory burden. On the Clean Air Act and on the Americans for Disability Act, we've had to put, understandably, put in a lot of new regulations. But we put the freeze on on a lot of other ones, and I believe that will lift the burden on those of you who are in the small-business sector.

Again, our biggest difference, a biggest difference, is on spending and taxes versus trying to hold the line on both. The mandatory growth programs are the ones that are totally out of control. And our program is to put a cap on them. Let them grow to inflation, and let them grow to population increases, but no more. That does mean that there's going to be some tough decisions as you sort out which of those programs can't grow as rapidly as they'd been growing heretofore. But it is the only way we're going to get it down.

Then with it, I call for the following disciplinary actions. One is a balanced budget amendment to the Constitution. We almost had it done, passed the Senate, passed the House. Then the leadership, who oppose it—those same leaders that have been in charge for 38 years in the Congress—whipped about eight or nine cosponsors of

the legislation into changing their vote after they had voted for it. That is simply outrageous. And I believe that we can get that done in the next session of Congress, because you're going to have at least 100, maybe 150 new Members of Congress. Why? Because the crazy guys that are running it out there can't even control a two-bit bank or a two-bit post office. I mean, people have lost confidence in them, and that's why you're going to have such a big turnover. So we've got to get that balanced budget amendment.

I want that check-off where people that are concerned about the deficit can put a check in their box—tax return for 10 percent of their taxes to go for one thing, lowering the deficit. Then Congress, under this proposal, will have to do it. If they can't do it on a priority basis, you have what's known as a sequester, and that goes across the board. Tough medicine, but we're going to have to do something about it.

The third point is the line-item veto. Forty-three Governors have it. It in itself will not permit the budget to get in balance, but along with these other things it would be of enormous, enormous benefit. I have a couple of bills sitting there right now that I have to make a decision on in the next couple of days that could be altered and made satisfactory if I had a line-item veto, and I don't. I think the American people are strongly supportive.

And the last one, point four on all this, is that I do believe it's time for the Congress to have the same limitations a President does, not in length of term, but I'm talking about term limits on the Members of the Congress. It's a way to give it back to the people, and I believe that that time has come to do that. Presidents serve 8 years, and I think Members of Congress should serve 12 and then go on home and let somebody else have a shot at it. Congress was not set up to be a year-round self-perpetuating organization. So we're going to—I'm going to take that case to the American people.

There are many other differences. But I just wanted to dwell a little bit on the economic side.

Let me simply say in conclusion, I agree things have dramatically changed out in the

country. Some of it is because I think people now realize that though we have economic difficulties, the economy is not as sick as the opposition would have you believe.

I had a little contretemps with one of the more famous news commentators this morning. He asked about this, and I said, "Well, what do you expect the American people to think when 92 percent of the news on the network news is negative? By accident, you ought to be able to make it up to 10 percent positive." [Laughter] The unemployment is down. Unemployment is down for 3 straight months, and the 3d month out comes the headline on the evening news, "Bad news for President Bush: job market shrinks." I mean, come on, unemployment is down for 3 straight months, and that's a good thing. In fact, unemployment claims, even though they ooched up a tiny bit now, are for the last 3 or 4 months at all-time lows, which is encouraging in terms of what it says about the fundamentals of this economy.

So, when you see me holding up that bumper sticker that says "Annoy the Media. Reelect Bush," I hope you'll understand it is not simply out of frustration. It is simply that I think they've lost in this election year all productivity—objectivity—productivity they've always lost—[laughter]—but objectivity. And my point on all that is, hey, don't let it get you down. Just say what Harry Truman said: "There's 50 of them covering the White House, and none of them know enough to pound sand in a rat's hole." That was Harry Truman, not George Bush. So I can quote him and be gentle and kind with these guys. [Laughter]

I'll tell you, I've had enough. I know you've suffered enough here, but let me just point out, I hold up that bumper sticker, and everybody knows exactly what we're talking about. I'm not asking for sympathy. I'm asking just that it be judged. And you see, the media, the national media now holding little seminars on Ted Koppel at night, "Have we been truly fair? Have we been objective?" Koppel did that down in Houston with a nonpartisan audience, and he said, "Now, if you think we've been unfair to George Bush, please clap."

They're still clapping down there. [*Laughter*] And he sat there very—ooh, and it went on and on and on.

The point is, the good thing about a campaign is, you take your message to the people. What I was going to say is, if you don't get—if you feel the same way as I do about "Annoy the Media. Reelect Bush," don't take it out on the cameramen. Some people get so excited there, they were jabbing the American flag into the back of these poor guys. These are the good guys. The people traveling with us are the good guys. Save your wrath for those faithless Republicans and faithless Democrats who wrote me off about 2 months ago, because we are going to show that rat hole that we're going to win this election. We're going to win it. I'm afraid this was a little boring today, but we're going to win it because there is a reality out there, and the American people understand it.

Then there's a subject that never even comes up anymore, world peace, democracy, freedom, less fear of nuclear war. I believe that those are pretty good things. Then the last ingredient, when people go into the booth, they're going to say, "Look, Bush may have screwed this up. At least

he admits it when he does." What we teach my kids to do; make a mistake, admit it, go on about leading the country.

But in the final analysis they're going to ask themselves the question: Who do I trust? Who would I trust with my family? And who would I trust with a crisis coming up, whether it's domestic or international? I've worked hard, and so has Barbara Bush, I might add, to earn the trust of the American people. That's what I think is beginning to happen. I think people are asking themselves that serious question.

And I obviously wouldn't like to see this many people assembled—if I said I need your support, I need your vote. Do it on the basis of economics, character, trust, whatever it is, I don't care. I want you to vote.

Thank you very, very much.

*Note: The President spoke at 11:50 a.m. at the Ramada Heritage Center. In his remarks, he referred to Gov. John Engler of Michigan; Heinz Prechter, chairman and chief executive officer, American Sun Corp.; and Omer O'Neil, president, South Wayne County Chamber of Commerce.*

## Remarks to the Community in Macomb County, Michigan October 29, 1992

*The President.* What a great welcome. Thank you very much. Thank you, Governor Engler. You guys are fired up, and that makes me feel like victory is ours.

May I start by singling out my friend Bruce Willis. I'm proud to have this guy at our side here and very grateful. And, of course, if you want to win a race in Michigan, you'd better have Governor John Engler at your side. And may also I salute Congressman Bill Broomfield, who's leaving the Congress, but a great Member of Congress, and I'm very proud of him; thank State Senator Carl; and then say this: Everywhere you go people yell, "Clean House!" Clean House. Do your part now. Send John Pappageorge up there, Doug Carl. Of course, I'm grateful to Senator DiNello for

being with us today, a man of conviction, that puts conviction ahead of party.

Hey listen, may I thank these seven high school bands that are with us today, great!

[*At this point, there was a disturbance in the audience.*]

*The President.* We'll get them. You know, last week—I want to mention the Utah—look at these characters. Kind of sad, isn't it? A little pathetic.

*Audience members.* Boo-o-o!

*The President.* A little pathetic. They feel it slipping away from them. They know it's moving away from them. They know we're going to win the election.

I'm delighted to be here. And the decision that people make is going to be a tre-